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Democratization in the Global South

The Importance of Transformative
Politics

Edited by

Kristian Stokke and Olle Törnquist

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Contents

<i>List of Figures and Tables</i>	vii
<i>Preface</i>	viii
<i>Abbreviations</i>	x
<i>Notes on Contributors</i>	xiv

Part I Transformative Politics in Historical and Comparative Perspective

1 Transformative Democratic Politics <i>Kristian Stokke and Olle Törnquist</i>	3
2 The Relevance of the Scandinavian Experiences <i>Kristian Stokke and Olle Törnquist</i>	21
3 Participation and Democratic Transformation: Building Effective Citizenship in Brazil, India and South Africa <i>Patrick Heller</i>	42
4 Social Movements and the 'Pink Tide' Governments in Latin America: Transformation, Inclusion and Rejection <i>Benedicte Bull</i>	75
5 Paradigmatic Failures of Transformative Democratic Politics: Indonesia and Sri Lanka in Comparative Perspective <i>Kristian Stokke and Olle Törnquist</i>	100

Part II Transformative Politics in the Context of Growth Economies

6 Accumulation and Inequality in China: What Spaces for Inclusion and Welfare? <i>Kristen Nordhaug</i>	127
7 Globalization and Democracy: The Equivocalty of a Relationship <i>Neera Chandhoke</i>	148

PROOF

vi *Contents*

8	Transformative Democratic Politics in Liberalizing India? <i>John Harriss</i>	170
9	Trade Unions and Democratic Transformative Politics: Political Representation and Popular Mobilization during Local Government Reform in South Africa <i>David Christoffer Jordhus-Lier</i>	195
10	Transformation Institutionalized? Making Sense of Participatory Democracy in the Lula Era <i>Gianpaolo Baiocchi, Einar Braathen and Ana Claudia Teixeira</i>	217
Part III Potentials for Post-clientelist Transformations		
11	Post-clientelist Initiatives <i>James Manor</i>	243
12	From Populism to Democratic Polity: Problems and Challenges in Solo, Indonesia <i>Pratikno and Cornelis Lay</i>	254
13	Re-Politicizing Local Government for Politics of Transformation: Arguments from Sri Lanka <i>Jayadeva Uyangoda</i>	277
14	Experiences and Strategic Interventions in Transformative Democratic Politics <i>Kristian Stokke and Olle Törnquist</i>	302
	<i>Index</i>	312

Figures and Tables

Figures

9.1 The changing social structure of the labour market in South Africa	203
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Tables

4.1 The third-wave democracies in Latin America	81
4.2 Latin America: Interrupted presidential periods (1992–2005)	82
4.3 The pink tide in Latin America	83
4.4 Poverty reduction and economic growth in selected Latin America countries	84

Preface

This is our third joint book on challenges and dynamics of substantive democratization in the Global South. The first book – *Politicising Democracy: The New Local Politics of Democratisation* – took a critical look at the attempts to craft universal liberal democratic institutions, the increased emphasis on decentralization and the problems of depoliticization of democracy that followed from this strategy. The second book – *Rethinking Popular Representation* – identified the root problem of depoliticized democracy as poor representation of ordinary people and advocated a rethinking of representation in terms of the governance of public affairs, channels of representation and constitution of demos. The present volume argues that it is possible and necessary to make advances towards more substantive democracy by way of transformative democratic politics. This refers to efforts by diverse actors to use formal democratic institutions to improve people's changes for both achieving their interests and improving democracy.

All three books stem from an international network of scholars with a strong and long-standing interest in democracy and development in the Global South. As editors and network coordinators, we wish to express our sincere gratitude to all those who have contributed to the seminars, workshops, conferences and book projects within the network. At the risk of overlooking some contributors, we want to extend our thanks to Berit Aasen, Gunilla Andræ, Sofian Asgart, Gianpaolo Baiocchi, Björn Beckman, Sheri Berman, David Beetham, Einar Braathen, Inga Brandell, Paul R. Brass, Benedicte Bull, Nils Butenschön, Lars Buur, Harald Bøckman, Neera Chandhoke, Jos Chathukulam, Daniel Chavez, Premakumara de Silva, Nirmal Ranjith Dewasiri, Lars Engberg-Pedersen, Arild Engelsen Ruud, Fredrik Engelstad, Adam Habib, John Harriss, Eva-Lotta Hedman, Patrick Heller, Eric Hiariej, Sam Hickey, Peter P. Houtzager, Janaki Jayawardena, David Christoffer Jordhus-Lier, Preben Kaarsholm, Knut Kjeldstadli, Adrian Gurza Lavalle, Cornelis Lay, Ilda Lourenco-Lindell, Bertil Lintner, James Manor, Desmond McNeill, Joel S. Migdal, Marianne Millstein, Giles Mohan, Aris Arif Mundayat, Kristen Nordhaug, Henk Schulte Nordholt, Sophie Oldfield, Nathan Quimpo, Pratikno, A. E. Priyono, Joel Rocamora, Lars Rudebeck, Purwo Santoso, Willy P. Samadhi, Günther Schönleitner, James C. Scott, Elin Selboe,

PROOF

Preface ix

Nadarajah Shanmugaratnam, John T. Sidel, Gyda Marås Sindre, Nur Iman Subono, P. K. Michael Tharakan, Gerry van Klinken, Nicolaas Warouw, Neil Webster, Glyn Williams and Øyvind Østerud.

The first two books came out of conferences funded by the Research Council of Norway. The present volume stems from a doctoral degree course that was co-organized by the universities of Oslo (Norway), Colombo (Sri Lanka) and Gadjah Mada (Indonesia) and funded by the Norwegian Agency for Development Cooperation (Norad) through the Norwegian Centre for International Cooperation in Education (SIU). In this and other ways the work on the books has also contributed to and benefited from a project to foster post-graduate education and research in cooperation between the University of Oslo, the University of Gadjah Mada and scholars at the University of Colombo. We want to express our gratitude to these funders and institutions for their cooperation and support. All three books have been published by Palgrave Macmillan. We are very thankful for all the support we have received from the staff at Palgrave Macmillan. Last but certainly not least, we are very grateful to Teresa Birks for her excellent language editing and substantive comments on the manuscript. As always, the responsibility for any mistakes and omissions remains with the editors and authors.

Abbreviations

ACFTU	All-China Federation of Trade Unions (China)
AIADMK	All India Anna Dravida Munnetra Kazhagam (India)
AITUC	All-India Trade Union Congress (India)
ANC	African National Congress (South Africa)
APF	Anti-Privatisation Forum (South Africa)
AUH	Universal Child Allowance
BIG	Basic Income Grant (South Africa)
BJP	Bharatiya Janata Party (India)
BMS	Bharatiya Mazdoor Sangh (India)
BUILD	Breakthrough Urban Initiative on Local Development (Indonesia)
CCP	Chinese Communist Party (China)
CDES	Council of Economic and Social Development (Brazil)
CDFs	Community Development Forums
CDS	City Development Strategy (Indonesia)
CITU	Centre of Indian Trade Unions (India)
CM	Chief Minister
CMP	Common Minimum Programme (India)
CMS	Coordination of Social Movements (Brazil)
COB	Bolivian Workers Central (Bolivia)
CoCT	City of Cape Town
CONAIE	Confederation of Indigenous Nationalities of Ecuador (Ecuador)
COSATU	Congress of South African Trade Unions (South Africa)
CP	Communist Party (Sri Lanka)
CPI-M	Communist Party of India (Marxist)
CSOs	Civil Society Organizations
CSUTCB	United Peasants Union of Bolivia (Bolivia)
CUT	Central Única dos Trabalhadores (Brazil)
DA	Democratic Alliance (South Africa)
DKT	Limited Group Discussions
DMK	Dravida Munnetra Kazhagam (India)
DPG	Decentralized Participatory Governance
EPG	Empowered Participatory Governance

PROOF

Abbreviations xi

EZNL	Zapatista Army of National Liberation (Mexico)
FGDs	Focus Group Discussions
FSDKS	Study Forum for Democracy and Social Justice (Indonesia)
FTAA	Free Trade Area of the Americas
GAM	Free Aceh Movement (Indonesia)
GDP	Gross Domestic Product
GIWUSA	General Industrial Workers Union of South Africa (South Africa)
GNP	Gross National Product
HDR	Human Development Report
ICDS	Integrated Child Development Services (India)
IDP	Integrated Development Plan
ILO	International Labour Organization
IMATU	Independent Municipal and Allied Trade Union (South Africa)
IMF	International Monetary Fund
INTUC	Indian National Trade Union Congress
IPGI	Indonesian Partnership on Local Governance Initiative (Indonesia)
ISDV	Indische Social-Democratische Vereniging/Social Democrat Association of the Dutch Indies
JVP	Janatha Vimukthi Peramuna
KOMPIP	Consortium for Monitoring Public Institution Empowerment (Indonesia)
KRRS	Karnataka State Farmers Association (India)
KSSP	Kerala Sastra Sahitya Parishad/Kerala People's Science Movement (India)
LDF	Left and Democratic Front (Indonesia)
LPMK	Institute for Community Empowerment (Indonesia)
LPTP	Institute for Rural Technology Development (Indonesia)
LSSP	Lanka Sama Samaja Party (Sri Lanka)
LTTE	Liberation Tigers of Tamil Eelam
MAS	Movimiento al Socialismo (Bolivia)
MKKS	Mazdur Kisan Shakthi Sangathan/Workers and Farmers Power Association (India)
MST	Movimento Sem Terra/Landless Workers Movement (Brazil)
NAFTA	North-American Free Trade Area
NATO	North Atlantic Treaty Organization

PROOF

xii *Abbreviations*

NCEUS	National Commission for Enterprises in the Unorganized Sector (India)
NCL	National Centre for Labour (India)
NDA	National Democratic Alliance (India)
NEDLAC	National Employment and Labour Council (South Africa)
NGOs	Non-Governmental Organizations
NREGA	National Rural Employment Guarantee Act (India)
NSMs	New Social Movements
OBCs	Other Backward Castes
PAC	Anti-Crisis Economic Measure (Brazil)
PAEG	People's Action for Employment Guarantee (India)
PAN	Partido Acción Nacional (Mexico)
PAN	National Mandate Party (Indonesia)
PB	Participatory Budgeting
PDIP	Indonesian Democratic Party for Struggle (Indonesia)
PDS	Public Distribution System (India)
PKI	Communist Party (Indonesia)
PNRA	National Plan for Agrarian Reform
PP	Progressive Party (Brazil)
PPA	Consultative Process on National Multiyear Plan (Brazil)
PPP	United Development Party (Indonesia)
PRI	Institutional Revolutionary Party (Mexico)
PSOL	Partido Socialismo e Liberdade/Party of Socialism and Liberty (Brazil)
PT	Partido dos Trabalhadores/Workers Party (Brazil)
RDP	Reconstruction and Development Programme (South Africa)
SACP	South African Communist Party (South Africa)
SAMWU	South African Municipal Workers Union (South Africa)
SANCO	South African National Civics Organisation (South Africa)
SC/ST	Scheduled Caste and Scheduled Tribe
SDSB	National Lottery (Indonesia)
SEZs	Special Economic Zones
SGP	General Secretariat for Participation (Brazil)
(SI	Syarikat Islam
SLFP	Sri Lanka Freedom Party (Sri Lanka)
SOEs	State-Owned Enterprises
SOMPIS	Solidarity Forum for the Peripheral People of Surakarta (Indonesia)
SUS	Unified Health System (Brazil)

PROOF

Abbreviations xiii

TIPNIS	Isobore Secure National Park and Indigenous Territory
TVE	Township–Village Enterprises
UDF	United Democratic Front (India)
UNDP	United Nations Development Programme
UNP	United National Party (Sri Lanka)
UNRISD	United Nations Institute for Social Development
UPA	United Progressive Alliance (India)
VOC	Dutch East India Company
WTO	World Trade Organization

Contributors

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PROOF

Notes on Contributors xv

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PROOF

xvi *Notes on Contributors*

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PROOF

Notes on Contributors xvii

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Part I

Transformative Politics in Historical and Comparative Perspective

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1

Transformative Democratic Politics

Kristian Stokke and Olle Törnquist

The background

The third wave of democracy in the Global South in conjunction with market-driven globalization since the mid-1980s has not only undermined authoritarianism, but has also swept away many preconditions for political advances. Moreover, it could be argued that there has been a stagnation of democracy in many post-transition states, seen in the depoliticization of public affairs and problems of flawed popular representation in particular (Harriss *et al.* 2004; Törnquist *et al.* 2009). This means that there is a need for substantive and more extensive democratization – a process that will work towards improved popular control of more widely defined public affairs on the basis of political equality. But how will this come about? It is increasingly accepted that those with power tend to dominate and manipulate democratic institutions, while those who are marginalized have insufficient power to use the rules and regulations. While advocating the need to go beyond the predominant elitist crafting of democratic institutions, we would nevertheless argue that it is possible in most cases to make advances without the postponement of fledgling democracy in favour of authoritarian revolutionary changes. The most general answer provided in this book is to thus draw attention to the importance of transformative democratic politics. By this we mean political agendas, strategies and alliances that use formal and minimalist democracy to introduce politics and policies that may enhance people's opportunities for improving democracy and making better use of it. The twofold purpose of this introduction is to first provide some conceptual pointers to the need for and meaning of such transformative democratic politics, and thereafter to outline how the

4 *A Historical and Comparative Perspective*

different chapters in the book provide key insights into the dynamics of such politics.

This is our third book on democratization in the Global South. Like its predecessors, it is produced by an international network of scholars with a common interest in the challenges of analysing *both* the problems of existing formalistic and minimal democracy that has evolved, *and* the efforts made at moving ahead towards more substantive and substantial transformation. Our first joint book, *Politicising Democracy*, focused on critical analyses of the efforts at building democracy by crafting what are commonly viewed as universally 'correct' liberal-democratic institutions (Harriss *et al.* 2004). The book highlights that efforts at crafting liberal democracy have increasingly tended to emphasize decentralization and local democracy. The major weakness of this predominant strategy, as we see it, is that the model of liberal-democratic institution-building has been uncritically applied, irrespective of the fact that there may be alternatives and irrespective of the need to pay close attention to contextual preconditions and dynamics. Our primary argument is that supposedly universal institutions are being introduced and analysed without considering context, actors and relations of power. This is what we describe as the depoliticization of democracy. Moreover, the results have been limited. In contrast to the mainstream assumption that if ideal liberal-democratic rules, regulations and organizations are introduced most actors will adjust and become democratic, the overwhelming empirical evidence is that powerful actors have instead dominated and adjusted the 'parachuted' institutions in their own interest.

What are the main characteristics of the depoliticized form of democratization? *Politicising Democracy* identifies the following key features:

- (a) Pacts between powerful elites on building core institutions of democracy (related to rule of law, human rights, free and fair elections, Weberian administration and civil society) that simultaneously exclude ordinary people and their representatives
- (b) Privatization to the market, and affluent civil society organizations (CSOs) and ethnic and religious communities
- (c) Decentralization of government based on 'subsidiarity' and the idea that people in local communities have common interests, and that relations of power between people and regions are unimportant
- (d) Technocratic and 'non-interest' based 'good governance' involving government, market actors, civil-society organizations and ethnic and religious communities, again without considering power relations

- (e) A number of problems of abuse and privileged control of institutions of democracy such as unequal citizenship, unequal access to justice, poorly implemented human rights, elite and money-dominated elections, corrupt administration, middle-class dominated civil society and otherwise predominance of 'illiberal' democratic practices
- (f) Some popular-oriented civil-society projects that contest negative politics and authoritarian states, but often neglect that it is necessary to foster progressive political projects such as participatory budgeting, planning and the like, and thus try to implement these ideas and projects within the hegemonic framework.

Given these tendencies towards the depoliticization of democracy, the book concludes that it is necessary to politicize democracy by considering the context for democratic institutions, that is, to pay close attention to power relations and the various actors' will and capacity to promote and use the institutions. In other words, democracy cannot be crafted by just building the supposedly appropriate institutions. It is also necessary to consider what relations of power need to be changed, what actors have the potential to achieve this and how such processes can be supported.

What might the core elements of attempts at building more substantive democracy be? This was the main question addressed in the second collective book, *Rethinking Popular Representation* (Törnquist *et al.* 2009). To answer this question it is necessary first to identify the roots of the problem and then analyse these causes more closely. Our answer in the second book was that problems such as corruption and the elite capture of democratic and decentralized institutions are rooted in the poor democratic representation of ordinary people and middle-class interests and aspirations. This calls for the need to rethink *popular democratic representation*, which we argue, primarily requires the need to:

- (a) Examine the political construction of the people (*demoi*) and public affairs, and related problems of democracy such as unclear definitions of what people are supposed to control what public affairs
- (b) Examine problems of democratic representation in relation to all forms of governance of what are widely deemed to be public affairs, even if the means of governance have been privatized and even if some actors argue that a number of issues are no longer of common concern

6 *A Historical and Comparative Perspective*

- (c) Examine problems of democratic representation in relation to all linkages between people and institutions of governance (i.e. direct as well as indirect representation, informal and claimed representation and so forth)
- (d) Examine how symbolic, descriptive and substantive representation are legitimized and authorized
- (e) Examine both the input side of democratic representation, which is to be based on politically equal generation of decisions, as well as the output side, which is to be based on impartial implementation.

From this we draw a set of major conclusions regarding political principles and dynamics towards improved popular representation. We argue that popular representation calls for empowered citizens and stronger popular organizations with a voice and with the capacity to reform the system. It also calls for improved institutional nodes and clear democratic principles of representation that ensure strong linkages between popular organizations and institutions of public governance. Substantive popular representation rests, moreover, with the distribution of resources and relations of power as well as with resistance and organized struggle for change. Yet pressure from below is not in itself sufficient for the generation of political change towards more substantial democratization. The design of public institutions for participation and representation are also crucial as they affect the ways in which people organize and mobilize. The successful introduction of institutions that are favourable for democratic popular organization and mobilization rests with a combination of leadership and demands from below.

Defining transformative democratic politics

Taken together, these conclusions call for transformative democratic politics, by which we mean, once again, political agendas, strategies and alliances for using fledgling democracy in order to introduce politics and policies that may enhance people's chances of improving democracy as well as their capacity to make better use of it to foster their aims.

Transformative politics thus defined may be specified by way of a comparison with six other major but non-democratic forms of transformative politics. First, transformative democratic politics means an emphasis on transformation by way of politics, in contrast to the economic thesis of Marx and Kautsky that the development of capitalism generates conflicts that in turn inevitably fosters movements to transform societies from capitalism to socialism. Second,

PROOF

Kristian Stokke and Olle Törnquist 7

transformative democratic politics implies a gradualism that is counterposed to Lenin's (and others') 'political power first' thesis. This position holds that transformation calls for the capture of state power followed by 'Marxist scientifically guided politics' to alter the dominating and repressive relations of power. Third, transformative democratic politics rests on an emphasis on state-society relations that can be contrasted with Putnam's society-first thesis – that interpersonal trust (social capital) between people will resolve the collective action problem between people, and thus enable them to transform their societies. Similar arguments also inform many of the current ideas around civil society-based transformative politics. Fourth, transformative democratic politics is based on a continued centrality of the state, in contrast to the communitarian thesis that emphasizes the importance of national, ethnic, religious and other communities for achieving the common good. It is certainly also contrary to the idea of authoritarian political leadership to promote communitarian politics, such as in fascism and Nazism. Fifth, transformative democratic politics implies an emphasis on collective action that is opposed to the liberal idea that as long as there are civil, economic and political freedoms, people can decide and implement transformative politics. Sixth, and finally, the focus on democratic politics is counterposed to Huntington's thesis that transformative politics presupposes stable institutions, constitutions, the rule of law and the politics of order.

In contrast to these alternative positions, we envision a form of transformative democratic politics that is instead based on democratization and rooted in two major 'most successful' traditions: (a) Bernstein-rooted Scandinavian social democracy, especially in the 1930s, and (b) new popular politics as in Brazil and (for a period) in the Indian state of Kerala. We will return to the specificities in subsequent chapters (see especially Chapters 2 and 3), but we argue tentatively that there are some common features. The first key feature is the aforementioned primacy of politics via popular organizations and public institutions. In addition to this comes, second, the centrality of citizenship-based democracy. This implies liberal-democratic constitutionalism and elections as well as democratic institutions for issue- and interest-based representation, plus citizens' right to participation in, for instance, urban and resource-based planning as well as 'participatory budgeting'. It also means giving almost equal importance to the output side of democracy (the capacity to implement in an impartial way the democratically decided policies) as to the input side of democracy

(the democratically decided policies). Third, there is a strong tradition of developing political demands from below for political reform and universal (non-targeted) and individualistic (non-family based) public policies and thus inclusive and equal welfare and economic policies from above. Finally, and most importantly, is the centrality of demands from below for the institutionalization from above of issue- and interest-based representation and citizen participation, fostering individual autonomy combined with strong popular organizations as well as accountability of and trust in public institutions, which (as emphasized in Rothstein 2005) may also foster interpersonal trust.

While transformative democratic politics is not the same as reform, it nevertheless has a lot to do with 'reforms that are conducive to new reforms' (Przeworski 1985: 242). In commenting on Willy Brandt *et al.*'s (1976) book on the challenges of social democracy, Adam Przeworski observes that post-World War II leaders only seemed to be 'ready to cope with whatever problems that are likely to appear, rather than to transform anything'. Yet, while 'not all reforms are conducive to new reforms', some are. As Walter Korpi (1978, 1983) has shown empirically with regard to the formative years of Swedish social democracy, 'each new wave of reforms [...] had a mobilizing impact upon the [...] working class'. And the major outcome was that *democratic* political institutions did not just create more positive freedom for ordinary citizens than the national-socialist and communist models, but also created more freedom than the market-based welfare regimes. The crucial questions that call for further studies are thus (a) *what* democratically fostered political reforms contribute to mobilization and civic freedom and (b) *when and how* these can be politically feasible (Przeworski 1985: 247).

The notion of transformative democratic politics is to be contrasted, then, to the two mainstream strategies for promoting democracy. The first is the aforementioned elitist introduction of supposedly ideal and universal liberal-democratic institutions without altering the basic relations of power. The second is the equally elitist but more conservative crafting of strong institutions of rule of law and governance ahead of democracy. The first idea is based on the expectation that the actors will adjust to new liberal-democratic institutions and become full-scale democrats. The second position, giving prime importance to the rule of law, holds that sustained government by the existing elites – what Samuel Huntington (1965) used to call 'politics of order' – is a necessary precursor to political liberalization because it allows for the

development of a solid institutional framework that will reduce the capacity of powerful actors to abuse institutions such as freedoms and elections (Carothers 2007; Mansfield and Snyder 2007).

As should be clear, we argue instead for transformative politics, in much the same way as Thomas Carothers argues in favour of gradualism.¹ This position acknowledges that the principled defence of building liberal-democratic institutions is worthy of support because autocrats rarely initiate the building of 'good governance' and the rule of law.² There is also a need to develop democratic politics in order to alter the relations of power and to be able to build a substantive and substantial democracy that can generate and implement the laws and policies that people want. The *main aim* of this book is, therefore, to (i) analyse and compare past and present experiences of transformative politics; and (ii) analyse whether and how new tendencies (new models of accumulation and popular engagement) may open up renewed transformative strategies.

Approach

There are three pillars to our general approach. The first is the examination of how the significant actors relate to the institutional means of democracy. David Beetham (1999) makes a key distinction between the aims of democracy, which most scholars agree is about popular control of public affairs on the basis of political equality, and the means of democracy in terms of an extensive list of specific institutions. Most of the detailed rules and regulations were developed in Western European and North American liberal democracies, but we would argue that they can be made more theoretically inclusive and contextually sensitive by being grouped together in the general terms of citizenship; international and national rule of law and equal justice; human rights and basic needs; democratic representation and participation; effective central and local democratic governance, including control of the means of coercion; as well as freedom of public discourse, culture, academia and civil society.³

Given the conclusions from our previous research (Törnquist *et al.* 2009), the main emphasis in this book is on (a) the constitution of the *demos* and public affairs in relation to institutions for fostering equal citizenship and (b) on institutions for fostering representation. The latter may be both by way of liberal-democratic elections and supplementary channels for participation by citizens themselves, and representation through issue and interest-based organizations. The key questions concern both the character of these political spaces and how

significant actors relate to the most crucial institutions and deal with the challenges.

The second pillar is the study of how the important actors relate to the determinants of their political capacity when trying to develop more or less democratic transformative strategies. The determinants of the actors' political capacity may be limited to those emphasized in major political and social movement theories and related conceptualizations of power (e.g. Tarrow 1994; McAdam *et al.* 1996; Harriss *et al.* 2004; Stokke and Selboe 2009 and Törnquist 2009). The main factors may be summarized as whether and how the actors are politically included rather than excluded; are able to transform their economic, social, cultural or coercive capital into authority (i.e. political power); have the capacity to turn common concerns into public political matters; are able to mobilize and organize support for demands and policies; and are able to use and develop existing means of participation and representation.

The critical questions thus concern the politics that key actors develop in order to promote their interests and enhance people's democratic capacity, and the transformative potentials involved.

Thirdly, these questions on actors' relations to institutions of democracy and the determinants of their political capacity need to be asked in a comparative perspective. But how can one best engage in comparing past and present experiences in quite different contexts where the outcomes are also varied? As already indicated, the most successful historical experiences with transformative democratic politics were in Scandinavia, while much talked about contemporary advances come from cases such as Brazil and Kerala. How can these be juxtaposed, and how can others compare the challenges they face with the old and new advances?

There was a time when comparisons dominated both studies and interventions in politics and development. Based on the idea that certain elements and functions are universal to successful development, a supposedly uniform European path to modernity was upheld as a possible guide for the identification of bottlenecks and strategic intervention in modernization processes. This approach was negated by research that pointed to the diversity of paths to modernity in Europe as well as the empirical problems involved in sourcing comparable data for the selected categories in European modernization all around the globe, the conceptual shortcomings of the dualist notion of tradition and modernity, the neglect of external factors (dependency) in modernization approaches and the lack of critical attention to contextual factors (e.g. different capitalist development in post-colonial settings). This does not

PROOF

Kristian Stokke and Olle Törnquist 11

mean, however, that comparative analyses are irrelevant to the study of politics and development. Thematic and thoroughly contextualized comparisons have proven to be both possible and fruitful, for example on issues such as state and development, democratization, growth and inequality and social movements.

While comparisons may be improved by a stronger focus on themes, processes and contexts, the lingering question remains, where does one start from – what are the guiding questions? These have remained rooted in the north: liberal democracy, state building, new social movements, civil society, post-industrialism and so forth. The best example is probably the preoccupation with Western European and North American notions of liberal democracy in analysing and fostering democracy in the Global South. We suggest that in our thematic studies of processes and contexts one should rather take the problems as defined in the Global South as a starting point in order to then locate possible lessons in the North or elsewhere. Thus, the problems of depoliticized democratization, and particularly popular representation in the Global South that have been identified in our previous books and summarized here constitute the basis for the selection of those aspects of historical experiences elsewhere that we believe are viable and useful to focus on.

The focus is thus on similar processes and issues (in the South and North as well as South–South) with different outcomes. Of course, the full contexts are bound to be very different. But if the structural differences are spelled out from the outset and if the analysis gives priority to the processes, it should be possible to identify crucial similarities and differences by way of comparative process-tracing. A good example from this book is Bulls' chapter, which compares links between trade unions and other popular movements on the one hand and normal liberal-democratic elections and party politics in yesterday's Scandinavia and today's Latin America on the other.

Once a problem has been identified in the first context and an interesting resolution to a similar problem has been located in the second, the idea is to trace the political process through which this more positive outcome came about. The dynamics, including power relations, opportunities and forms of mobilization and organization, alliances, compromises, institutional arrangements and political ideas that relate to problematic or positive outcomes, may thus be identified and frame further discussion on what might be learnt. Of course the unique conditions in each setting must be specified, but the political priorities, alliances, coalitions, organizations and so forth may be less difficult to adapt to other contexts. For instance, many advances in Scandinavia

in the past as well as in Brazil today were not determined by long-term path dependencies and economic contexts. Crucial developments often rested instead with ‘the primacy of politics’ (Berman 2006) and the political dynamics of a specific kind that were similar in both countries.

This approach to comparisons is not intended to export idealized models but to identify the relations, alliances and principles that were crucial in the ‘positive’ case, and to discuss whether it is possible to identify any factors in the second case that may foster similar tendencies, as well as the potential for containing those who oppose them. This may thus also generate new questions on what happened in the second case. Non-problematic developments tend to be given insufficient attention. Thus problems and experiences in the Global South may even provide fruitful supplementary points of departure in discussions on transformative politics in the Global North.

Case studies and comparisons

The general agenda and approach, as outlined above, are pursued in the next 12 chapters of this volume, providing detailed contextual and comparative analyses of the dynamics of transformative democratic politics. The book is organized into three sections: the first focusing on historical and comparative analyses of transformative democratic politics, the second on the potential and problems of transformative strategies associated with emerging economies and the third on the potential for post-clientelist transformations.

Transformative politics in historical and comparative perspective

The first section of the book focuses on the aim of comparing past and present experiences with transformative democratic politics across different contexts. Chapter 2, written by Kristian Stokke and Olle Törnquist, examines the contemporary relevance of the classical and thus far most successful model of transformative democratic politics – the Scandinavian social democracies. The authors stress that they are not advocating the transfer of a full-scale model, which would be futile elsewhere due to different contextual preconditions and dynamics. They focus instead, on the dynamics of transformative politics that made the model real and on the lessons that can be learnt from this. Their core argument is that the emergence of a remarkably similar model in quite different national contexts across Scandinavia was first and foremost shaped by social-democratic politics and policies. Thus a key general lesson concerns the primacy of politics and furthermore, mobilization

from below for institutional reforms from above, including channels for substantive representation and participation.

In Chapter 3, Patrick Heller follows up these questions on the relevance of Scandinavian experiences for the Global South, and also on the relevance of comparative experiences from diverse contexts in the Global South, focusing especially on Brazil, South Africa and Kerala. His point of departure is the observation that social democracy first originated in local democratic arenas and in the formation of citizenship rather than in the working-class mobilization and class compromises that developed over the years. In Heller's view, this is also where the current challenge of substantive democratization lies in the Global South. The chapter then goes on to examine the diverse trajectories of decentralized participatory governance (DPG) in Brazil, South Africa and Kerala. Focusing on the interaction between institutional and political configuration, Heller observes that while South Africa has had an advantage in terms of high-capacity local states that have spurred hegemonic party politics, Brazil and Kerala have been characterized by a political competition that has pushed left parties to work closely with civil society and social movements, thus building a political movement in support of transformative democratic politics at the local scale.

Chapter 4, authored by Benedicte Bull, compares one particularly crucial dimension of both the old Scandinavian and new Latin American experiences of transformative politics: how interest organizations such as trade unions and other popular movements are being linked to organized politics and the state. The chapter focuses on the increasingly vibrant social movements and the rise to power of left-of-centre governments throughout Latin America from the late 1990s. Contemporary Latin America is marked by movements that display a diversity of positions and strategies vis-à-vis the state, producing promising experiments of transformative politics through dynamic state-movement relations, but also disappointments as governments have responded to social protests with co-optation, repression and the delegitimizing of social movements. Bull contrasts this with historical experiences in Scandinavia, where social movements led by radical labour organizations gained and used state power as a tool for societal transformation and where the main conflicts were related to the rapid expansion of capitalist industrialization. In explaining these diverse outcomes, the chapter draws attention to the importance of the global political-economic context, the capacity of the state to manage social transformation and the strategies and internal structures of popular movements. On the latter issue, Bull points out that the movements do not only

relate to the conflicts between capital and labour but also, to a larger extent than in Scandinavia, to the primitive accumulation of land and other natural resources.

Kristian Stokke and Olle Törnquist (Chapter 5) conclude the part on general comparative analysis with a discussion of two cases of failed transformative democratic politics, Indonesia and Sri Lanka. The chapter traces the process whereby initial efforts at democratic transformative politics were replaced by rapid descent into authoritarian rule in Indonesia and the gradual emergence of semi-authoritarianism in Sri Lanka. More specifically, the authors emphasize three critical turning points: first, the downgrading of the relative importance of democracy, especially in the context of Sri Lanka's ethnic politics and Indonesia's land reform and anti-imperialism; second, the crisis in both contexts of the state-facilitated social pacts for welfare and national development between peasants, labour and the 'national bourgeoisie'; and third, the contrasting roles of Sri Lanka's deteriorating and Indonesia's reborn but shallow democracy in the context of development and peace building. This leads to the general conclusion that the transition from initial transformative politics to authoritarianism and semi-authoritarianism can be ascribed to the failure to institutionalize substantive popular representation in combination with viable models for economic growth and social welfare.

Transformative politics in the context of growth economies

The first section demonstrates that there are close links between transformative democratic politics and economic growth, as seen in the historical making of and contemporary changes in Scandinavian social democracies; in the new experiments with transformative politics in Latin America, South Africa and Kerala; and in the failed cases of transformative politics in Indonesia and Sri Lanka. The second section of the book follows up on this theme and provides in-depth analyses of the spaces, challenges and dynamics of transformative democratic politics in the framework of the rapidly emerging industrial economies of China, India, South Africa and Brazil. Kristen Nordhaug (Chapter 6) begins with an analysis of economic growth and inequality in China, with an emphasis on the spaces for social inclusion and welfare. The author observes that while China has experienced strong economic growth, this has been distributed unequally and welfare rights have been abandoned or weakened. Problems of inequality and destabilization have led the central government to undertake social reform, but this social reform from above has been fraught with difficulties. One

basic contradiction lies in the fact that China's growth dynamic has to a large extent been based on the devolution of political power to local governments and strong alliances between local governments and business. This means that local governments and businesses frequently oppose, stall or distort the implementation of the central government's social reform initiatives. Nordhaug thus argues that the successful implementation of reform 'from above' requires the support of popular mobilization 'from below'. While recent trends in China's labour relations could foster developments in this direction, popular mobilization is hampered by the authoritarian order. This means that China has a long way to go before reform from above and popular mobilization from below are able to reinforce one another in a dynamic process of transformative politics.

In Chapter 7, Neera Chandhoke provides a comparative analysis of Indian states to discuss local state capacity in negotiating and utilizing global economic imperatives for the promotion of economic growth and social welfare. Arguing against tendencies to reduce politics to questions of economics, the author observes that different Indian states have responded very differently to the challenges of globalization and the need to ensure social well-being. Moreover, she finds that there is no simple relation between integration into economic globalization and state commitment to social well-being. These differences can only be explained, she argues, with reference to contextual political dynamics, particularly the presence or absence of four key factors: a competitive party system, high investment in the social sector, a politicized electorate and political mobilization in civil society. Since democratic states have to constantly produce and reproduce the conditions of their own legitimacy, economic growth and social well-being become key concerns in democratic politics. This opens up some space, Chandhoke argues, for transformative democratic politics, even in the context of an economic globalization that is commonly seen as undermining both the state and social welfare.

The question of transformative democratic politics in India is also addressed by John Harriss in Chapter 8. Taking India's progressive liberalization of its economy over the past 20 or more years as a point of departure, the chapter examines the responses to these developments in Indian society. Are there any indications of a counter-hegemonic movement against economic liberalization? And how much scope is there within this context for transformative democratic politics? Having identified and analysed potential class constituencies, Harriss concludes that such a counter-movement to liberalization remains relatively muted and

fragmented. In this situation, it is remarkable that the Government of India has nevertheless begun to recognize economic and social rights and has enacted a series of legislative innovations in support of social welfare. Harriss sees this as being driven largely from above by middle-class-led associations that often bypass rather than embrace democratic politics. Thus, Harriss concludes that the ideas of a counter-hegemonic movement and transformative democratic politics in India must be correspondingly qualified.

Chapter 9, by David Christoffer Jordhus-Lier, follows up on Harriss's theme of counter-hegemonic mobilization through an analysis of union strategies for political representation and popular mobilization in South Africa. The South African labour movement is a well-organized mass movement that has emphasized democracy and is an integral part of a tripartite government alliance. The question is whether unions have contributed to a broader process of democratic transformative politics. At the local level, trade unions have been placed in the middle of the restructuring of processes that affect organized labour. In this situation, affected unions have sought influence through a combination of popular mobilization (social movement unionism and the recruitment of marginalized workers) and engagement with the formal political system. This is a strategy fraught with difficulties and contradictions. Jordhus-Lier demonstrates that while the tripartite alliance has given trade unions political influence and recognition of workers' rights, it has also weakened its capacity to provide substantive political representation to the working poor. Finding ways to effectively engage with both communities and authorities thus remains the challenge that unions have to address in order to play a productive role in transformative democratic politics.

Chapter 10, written by Gianpaolo Baiocchi, Einar Braathen and Ana Claudia Teixeira, concludes the section on emerging economies with a discussion on participatory democracy in Brazil. The authors observe that Brazil has come to be known for its social movements that advocate a new kind of participatory politics and that have found expression in the *Partido dos Trabalhadores* (Workers Party). While Brazil can be seen as an illustrative example of the 'pink tide' governments and participatory governance that are discussed by Bull and Heller, it also appears to be a successful case of growth with redistribution and the kind of transformative democratic politics outlined by Stokke and Törnquist. Baiocchi, Braathen and Teixeira provide, however, a more nuanced interpretation. Focusing on the evolution of participatory institutions, the authors argue that there has been a pronounced shift both in the

quality of participation and the underlying relationship between social movements and the Workers Party. While the earlier years were marked by close links between movements and the party, social movements and unions have come to occupy a subordinate role as the party has risen to national power. At the same time, participatory institutions have become arenas for 'listening and dialogue' while movement concerns have been downplayed. The authors thus observe that Brazil's experience with institutionalizing participation reflects a clash of logics between social movements and the state and, in the process, demonstrates the need for careful analysis of contextual political dynamics and the problems of representation – a major factor behind the difficulties to scale up the celebrated local democracy.

Potential for post-clientelist transformations

The third section of the book discusses the possibilities and dynamics of transforming undemocratic forms of political incorporation at the local level. In Bull's comparative analysis of Scandinavian and Latin American experiences, she points to the persistent prevalence of clientelism in Latin American politics and argues that this limits the prospect for transformative democratic politics. In Chapter 11, James Manor argues that many politicians in the Global South have begun to de-emphasize, or at least complement distribution of patronage by way of 'post-clientelist' initiatives. This change has come about as patronage distribution has become costly and insufficient for maintaining popularity and political legitimacy. The result is different kinds of post-clientelism, of which the author identifies seven ideal-types. Manor stresses, however, that the importance of these initiatives should not be exaggerated and that they stop short of constituting transformations. He also observes that post-clientelism is almost always pursued not instead of but in addition to clientelism and that such hybrids may be relatively stable over time. Despite these qualifications, Manor demonstrates that clientelism is not a fixed feature of politics in the Global South, but that it is politically constructed and appears to be undergoing transformations in post-clientelist directions in many localities. To examine the political dynamics behind such transformations remains an analytical challenge.

Chapter 12, by Pratikno and Cornelis Lay, follows up on this agenda and provides a case study of the political dynamics behind the transition from populism and clientelism to participatory democracy in the Indonesian city of Solo. The city of Solo is often portrayed as the main positive case of democratic local governance in Indonesia, including

efforts at participatory budgeting and planning. The authors provide a critical assessment of this claim with a focus on the political dynamics behind local democracy. Their argument is that local democracy has been shaped by contentious local politics, where a confrontation between the political executive and parliament provided a political space for popular forces and the introduction of popular participation in planning and budgeting. These initiatives have been central to building popular support for the mayor among the urban poor and the middle classes. While this has produced a more inclusive form of local democracy, Pratikno and Lay point out that the present structures for negotiation between the state and the people have yet to be firmly institutionalized, meaning that they remain vulnerable to a possible return of populism and clientelism.

In Chapter 13 Jayadeva Uyangoda poses the question of whether local government can become an arena for substantive local democracy and promote politics that produce egalitarian social transformation in Sri Lanka. The author acknowledges the importance of institutional reform to the achievement of governance goals such as local participation and efficient delivery of public services. But the more fundamental challenges for local democracy and transformative democratic politics, he argues, are entrenched structures and practices of social and political exclusion. This argument is substantiated through an analysis of Sri Lanka's experience with local government and case studies from two socially and politically marginalized rural communities. This analysis yields the conclusion that concepts and institutions of local government in Sri Lanka need to be re-understood and re-framed in terms of the sociology of political power. Inventing and reforming institutions is a necessary condition for the greater democratization of local government, but it is not sufficient for the renewal of local democracy if this requires that democratic institutions become agencies for transforming unequalitarian social contexts of power and social exclusion, as demonstrated by caste-based discrimination in Sri Lanka.

Finally, Chapter 14, by Kristian Stokke and Olle Törnquist, extracts some of the key lessons from the preceding chapters before turning to a discussion of strategic interventions in support of transformative democratic politics. All the chapters in the book testify to the importance of transformative democratic politics, both for improving popular control over public affairs and ensuring outcomes from democracy that promote both economic growth and social welfare. The book also demonstrates the importance of comparisons and learning across contextual specificities, not as a matter of transferring institutional blueprints but through

the careful examination of the political dynamics behind desired transformations. If the challenge for democratization in the Global South is to substantiate formal and minimalist democracy, the contribution of this book is to point to the importance of transformative democratic politics.

Notes

1. Carothers' concept of gradualism 'is based on the recognition that authoritarian rule is itself usually a key obstacle to building a well-functioning state and establishing the rule of law. The gradualist approach seeks to find a way for countries where few circumstances favour democratization to take incremental but definite steps toward open political competition while *simultaneously* pursuing state-building and rule-of-law reforms' (Carothers 2007: 21).
2. The main exceptions would be countries like Singapore and South Korea where the system of rule of law was introduced ahead of democracy; yet this was based on the overthrow of the old rulers (including by way of popular struggles), not on the sustained rule of moderate autocrats.
3. Our more-detailed list includes: (i) equal and inclusive citizenship in relation to well-defined public affairs; (ii) governance in line with international law and UNconventions; (iii) rule of law; (iv) equal justice; (v) universal human rights, including basic needs; (vi) democratic political representation through parties and elections; (vii) rights-based citizen participation in public governance; (viii) Institutionalized channels for interest and issue-based representation; (ix) local democracy made real in combination with relevant influence on other levels; (x) democratic control of instruments of coercion (including private forces); (xi) transparent, impartial and accountable governance; (xii) government's independence and capacity to take decisions and implement them; (xiii) freedom of and equal access to public discourse, culture and academia within the framework of human rights; and (xiv) citizens' democratic self-organizing. For a more elaborate discussion, see Törnquist (2012).

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2

The Relevance of the Scandinavian Experiences

Kristian Stokke and Olle Törnquist

Introduction

Chapter 1 identified the key dynamics of democratic transformative politics and argued that they can be exemplified by historical experiences in Scandinavia and contemporary Brazil. It was also observed that these dynamics of democratic transformative politics come close to the prescriptive conclusions in the book on 'Rethinking Popular Representation' (Törnquist *et al.* 2009). The question that follows from this discussion is whether such experiences of social democracy have broader relevance, especially in the Global South but also in North–South relations. This is the question that runs through this chapter as well as the three chapters that follow. The present chapter examines the Scandinavian characteristics and their possible relevance in wider contexts. In the subsequent chapters, Patrick Heller analyses common features of the new popular and social democratic-oriented politics in the Global South (Chapter 3) and Benedicte Bull compares previous Scandinavian and current Latin American links between the state and social movements (Chapter 4). Finally, Stokke and Törnquist supplement Heller and Bull's reviews of positive experiences with an analysis of paradigmatic failures of transformative politics in Indonesia and Sri Lanka.

Let it be clear from the outset: there is little to be learnt from the successful *outcomes* in cases like Scandinavia. Attempts to transfer full-scale socio-political models between different contexts are futile if it means that contextual preconditions and processes are ignored. Outcomes matter, but the focus should be on the dynamics of transformative politics that made the models real. As emphasized in Chapter 1, one needs to identify the stumbling blocks in challenging cases and then read these problems against similar historical processes in other contexts that had

more positive outcomes. Also, of course, one needs to address the problems of sustaining these previously positive processes under different global conditions.

In order to identify similar processes with more positive outcomes it is fruitful to examine the key transformative features of the 'Scandinavian model', especially with regard to the combined emphasis on economic growth and social welfare, and then proceed to study the contemporary challenges that stem from economic globalization, neoliberal governance and depoliticization of democracy. Only then will we turn to discuss the transformative politics that produced the model in the first place, while returning to the core issue of whether and how the historical and more recent political dynamics in the Scandinavian experiences might be relevant in the Global South and in North–South cooperation later.¹

The Scandinavian model: Social welfare and economic growth

The notion of a distinct 'Scandinavian model' has had a remarkably stable presence in academic and political discourse.² This model is assumed to contain a handful of key characteristics that are common across its contextual diversity. The basic political similarity is the social democratic politics of transformation that we pointed to earlier. Aside from the general egalitarian ethos, the political similarities include the emphasis on citizen-based democracy, the combination of liberal-democratic constitutionalism, democratic institutions for issue and interest-based representation and direct citizen participation, and the strong tradition of demands from below for universal policies from above, which together foster individual autonomy and strong nationwide popular organizations.

Based on these political pillars there are also key similarities with regard to policies and political outcomes. On the one hand, Scandinavian countries have been marked by a successful combination of state regulation and market capitalism that has yielded rapid economic growth and secured great affluence since World War II. Following from this economic model, the Scandinavian countries have come to be known for remarkably high material standards of living as measured in terms of GDP per capita and other economic indicators. On the other hand, and in spite of increasing liberalization and attempts to weaken it, the model is still characterized by comparatively comprehensive and universal welfare programmes that support both social

equality and economic efficiency while also fostering individual citizens at the expense of the family, and the charity of the Church and civil society organizations. This makes the social democratic welfare state distinctly different from the comprehensive but status-preserving Christian Democratic welfare state (e.g. France, Italy, Germany), and especially the minimalist liberal welfare state (e.g. the United Kingdom, the United States).

Beyond these idealized commonalities, Scandinavia contains a diversity of institutional arrangements and political dynamics. There are notable differences in the economic models, the character of the welfare state, the constellations of political forces, models of democratic representation and foreign policies. It can also be observed that although the Scandinavian states have arrived at a form of statehood with shared general characteristics, these are products of diverse political dynamics and trajectories. In addition, there have also been different interpretations of the model over time. This means it is crucial to examine both commonalities and contextual differences in the political constellations and dynamics behind the making and transformation of the model.

Contemporary changes and challenges for Scandinavian social democracies

The Scandinavian model is undergoing processes of change due to domestic and international political and economic challenges. The most obvious examples of international pressures – economic globalization and global neoliberalism – have reduced the political space for states to pursue autonomous economic policy, thereby challenging the politics of transformation and altering economic growth and social welfare policies. It can also be observed that general changes towards post-industrial society, growth of middle classes and associated individualism challenge the collectivist politics and policies of social democracy. During the neoliberal 1980s in particular, the original Scandinavian model was deemed obsolete and even semi-authoritarian since it was seen as fostering corporatism, reducing individual freedom and fostering the abuse of power and even repression (in a Foucaultian sense). The Swedish government-commissioned power and democracy research programme, for instance, was highly critical of the main facets of the model (SOU 1990). This critique lessened in the context of international economic crises from the 1990s, when the model of mixed economies combined with welfare states gained new credibility due to its capacity to ameliorate economic and social vulnerabilities. There is nevertheless no doubt that domestic and international pressures have transformed the

original model in a neoliberal direction and thus made it less exceptional in an international comparative context. In particular, we want to highlight four prominent tendencies of contemporary change in the Scandinavian model: adaptation to market-driven economic preconditions, alterations of the forms and scope of the welfare state, more polycentric forms of governance and weaker state authority.

First, it is evident that all the Scandinavian states have made adjustments in their economic policies towards increased emphasis on international competitiveness in the context of economic globalization. Such economic reforms may, however, take different forms in the Scandinavian countries than elsewhere due to institutional and political preconditions that are strikingly dissimilar from both continental Europe and North America (Jessop 2002). While innovation and competitiveness are promoted through market mechanisms with minimum regulation in the United States, state–market relations in the Scandinavian states may be more accurately described as embedded autonomy. Internationalization and competitiveness have long been a key concern for both Swedish manufacturing industries and Norwegian resource-based export industries. And much of the basic politics of the Scandinavian model was precisely to facilitate international economic competitiveness by way of a social pact between labour and capital, interest-based participation in governance and welfare policies to facilitate economic modernization and growth. Yet recent decades have seen a more comprehensive internationalization, reduced trust in democratically institutionalized forms of interest participation in governance, the emergence of new forms of governance based on partnership between the state and the private sector and a stronger focus on market-driven innovations. It is also the case that these structural transformations take different forms within the different Scandinavian states. The extent and character of privatization and public–private partnerships vary considerably, for instance between Norway, where state ownership of enterprises has had a strong legacy but is being replaced by partial privatization, and Sweden, where strong private corporations have coexisted with social democratic regulation for a long time.

Second, it is noticeable that the Scandinavian welfare states have undergone important changes, with heated political debates about both the extent of welfare coverage and the model for social welfare provision. While there are structural imperatives and neoliberal political forces that push towards reduced coverage and more privatized forms of delivery, it is also clear that the institutional legacies of the social democratic welfare state mean that what is emerging is a reformed

version of this kind of regime rather than a fully fledged liberal welfare state. While all Scandinavian countries have gone through processes of reducing welfare spending, with variations in coverage and delivery models, the level of coverage and the legitimacy of the welfare state remain relatively strong throughout Scandinavia. One important factor here is that collective wage agreements, wage compression and welfare measures are also used to promote competitiveness and growth, thereby giving the welfare state a high degree of legitimacy across class divides.

Third, it can also be observed that state authority has shifted to the private sector and nongovernmental organizations across the Scandinavian region. This has created a common pattern of polycentric and network governance based on subsidiarity. It has also introduced private sector management principles (new public management) into the public sector. This emergence of neoliberal governance has meant a general depoliticization of public affairs and a weakening of popular democratic control of public affairs. These trends are well documented in recent power and democracy research programmes in Sweden and Norway. The most recent Norwegian study in particular identifies a general shift towards economic power and networks at the expense of political power (Østerud 2005). This study also points to a shift in the balance of power within the state, between the administrative executives and the elected political representatives, with increased decision-making authority in the hands of the former (e.g. semi-autonomous healthcare corporations in the public sector) while political responsibility and accountability remain with the latter. Related to these shifts away from democratically elected political bodies at all scales, there are also tendencies towards the weakening of popular movements while political parties are losing their popular base and becoming networks of political professionals. The Norwegian study thus concludes that there has been a general weakening of democratic popular control, extending all the way from the *demos* through political parties and mass-based organizations to the institutions for democratic governance of public affairs.

Fourth, it can also be observed that the state has been hollowed out vertically at the national scale as state authority is shifted to transnational institutions (e.g. the European Union) and to the local scale through decentralization. This has created a multi-scale form of governance. Again, this takes different institutional forms across Scandinavia due to diverse structural imperatives, institutional legacies and political dynamics. One example is that the Scandinavian states display very different foreign policies with regard to economic

integration in the European Union and security politics in the North Atlantic Treaty Organization (NATO). Whereas European integration creates a divide between the member states (Sweden and Denmark) and the non-member states (Norway) in the European Union, the geopolitics of NATO sets Sweden apart from Norway and Denmark. At the sub-national scale, it is noticeable that the extent and character of decentralization takes different forms. While Sweden has established a system of substantive devolution of power to the local political level, decentralization in Norway remains more administrative than political despite a strong emphasis on regional redistribution and development.

Despite these structural changes it is important to remember that the 'Scandinavian model' has largely survived the onslaught of neoliberalism, at least compared to radical liberalization programmes such as the one in the United Kingdom under Margaret Thatcher. The advent of neoliberalization in Norway in particular has been comparatively late, slow and piecemeal (Mydske *et al.* 2007). This can be explained by the institutional legacy of a strong state, the continued popular support for the welfare state, the absence of powerful governments with a radical reform agenda as well as economic prosperity based on state-managed oil revenues. Similarly, while national regulations have been altered in the face of globalization, a number of the democratic institutional arrangements have survived. For instance, old and new interest organizations and corporatist channels for involving them in public governance have indeed been weakened but remain crucial additions to liberal democracy. The same applies to a range of institutions for direct citizen participation in governance, such as physical planning in particular and most public services in general. Similarly, the influence of both trade unions and individual participation in workplace democracy and on working conditions has been challenged, for instance by outsourcing, but nevertheless remains crucial. And women's involvement in public life has increased substantially, due not least to the way the welfare state has supported labour market participation while feminist struggles have been taken up and supported by the state. Although this inclusion and participation could be seen as products of polycentric governance and individualization rather than democratic governance and corporatist interest representation, corporatist mechanisms have largely adjusted rather than being undermined and replaced by alternatives.

Within this changing continuity and broad-based support for the model, there are also critical scholarly and political debates about how to understand and develop it. One debate that is especially relevant to

PROOF

Kristian Stokke and Olle Törnquist 27

our discussion concerns the origin of the model, the political forces that have been driving its development and thus who can claim credit for its successes.

Most important, there is a historical–revisionist tendency to emphasize various deeper roots of the Scandinavian model (Andersson 2004, 2009). Several scholars have re-emphasized the importance of the structural and cultural background since the Middle Ages to the contemporary model, especially the relative absence of feudalism, the strong independent peasantry with egalitarian traditions, the weak private capitalist bourgeoisie (whose liberal ideas did not become hegemonic) and the related strength of the state (e.g. Berggren and Trägårdh 2006). Other historians and political actors of a liberal or conservative persuasion have added that the welfare state was in fact built on early and often local liberal and conservative-communitarian social welfare schemes, well ahead of the social democratic schemes that have come to characterize the Scandinavian model.

While it is of course true that the emergence of the Scandinavian model was structured by historical preconditions in ways that are important to study and learn from, these preconditions cannot provide a comprehensive explanation for the radically altered state forms that developed from the 1930s and onwards. In fact, there is little doubt that much of the late 19th and early 20th centuries were characterized by poverty, economic crises and social and economic conflict rather than anything resembling the class-based negotiations towards a combination of social welfare and economic growth that evolved in the following decades. It can also be observed that the aforementioned historical preconditions were highly varied between the different Scandinavian countries. Although there were fairly homogenous populations in all three countries, feudalism was present in Denmark, state-related landed and imperial nobilities were vital in Sweden, and the state and the private capitalists were weak in Norway, which were dominant in Denmark and Sweden. These observations support the argument that the main focus should be on how early conservative and liberal-oriented welfare measures were transformed into the Scandinavian social democratic welfare state model with its specific characteristics as compared to the liberal Anglo-Saxon and the conservative Central and South European welfare states. This transformation into a remarkably similar model in quite different countries was first and foremost shaped by parallel social democratic politics and policies, which were flexible enough to be adapted to different contextual preconditions.³

The relevance of Scandinavian experiences for the Global South

Is there anything to be learnt from Scandinavia? Many say that there is not. Two arguments stand out and deserve attention: one is historical; the other relates to current economic, geographical and sociological changes.

The first argument, which has already been mentioned, is that the Scandinavian model of transformative politics evolved and was dependent on the historical legacy of independent and quite egalitarian-oriented peasants rather than private capitalists and liberal bourgeoisie, territorially bounded economic systems, strong state regulations and conservative and liberal welfare systems. In this view, the Scandinavian preconditions are too unique for fruitful comparative purposes. However, while there is no doubt that there were a number of important historical conditions behind the emergence of the Scandinavian model, it was certainly social democratic politics that combined this historical heritage with a modern growth coalition based on universal welfare measures. This centrality of democratic transformative politics may also be relevant to contexts with very different social, economic and political preconditions.

The second argument is that the contemporary period is marked by economic, political and cultural globalization, creating different spaces and obstacles for the growth and welfare politics of the Scandinavian model. Thus capital (as well as labour) is much more mobile than it was during the formative period of the Scandinavian model, undermining the prospects for national fiscal and trade restrictions, growth-oriented pacts between labour and capital supported by the state and comprehensive social welfare programmes. Moreover, post-industrialism in the Scandinavian countries in particular makes large sections of the population more individualistic and hence less likely to engage in collective mobilization, especially class-based interest politics. These economic-geographical and political-sociological changes also affect, it is maintained, the Global South and reduce the relevance and transferability of historical experiences from Scandinavia. We will argue, in contrast, that globalization and the challenges of economic growth and democratization are making several of the original dynamics of transformative social democratic policies and politics more relevant. The following section focuses on the relevance of the Scandinavian model in the Global South while the concluding section discusses its potential contribution to North–South and international cooperation.⁴

The first argument in support of the continued relevance of the Scandinavian model references what Berman describes as the 'primacy of politics'. It is evident that the fundamental historical argument about Scandinavian social democracy, inspired by Bernstein, has gained ground among both activist and scholars at the expense of Kautsky's earlier economic determinism and Lenin's revolution, namely that one must advance by way of democratic transformative politics (since capitalist development does not automatically pave the way for socialism) and that one can do it by way of democratization (because revolution is not necessary). Clearly the preconditions for this strategy are different in the contemporary Global South compared with the historical situation in Northern Europe, not the least due to the negative effects of colonialism and uneven development. Political obstacles to transformative democratic politics include persistent problems of authoritarianism and illiberal democracies. Authoritarian regimes survive or re-emerge in some states, for example China, Syria and Ethiopia. Elsewhere, the third wave of democracy has often been contained by powerful elites and abuses of power, while frustrated middle classes have looked to military support for 'law and order' (e.g. Thailand). Yet it can be generally argued that the space for political action and advances has been broadened in many parts of the world as pro-democracy demonstrations have succeeded in undermining authoritarian regimes and establishing at least formal democracies (e.g. Indonesia, Tunisia and Egypt). Elitist and even authoritarian structures no longer seem invincible.

The contemporary coexistence of liberal democracies and global market liberalism provides both political spaces and a social basis for popular movements. This may be seen as a parallel to the situation in the Global North in the late 19th and early 20th centuries, leading some scholars to label the current period as the second version of the 'Great Transformation' analysed by Polanyi (2001; Munck 2002). While the contemporary period is characterized by democratic openings, it is also true that most recent democratic transitions have focused on formal institutions and have been minimalist. Nevertheless, activists who want to foster more substantive and extensive democracy – where ordinary people can exert genuine control over public affairs and ensure that decisions taken to change relations of power and promote welfare are implemented – may move ahead by taking advantage of the political space that has emerged under poorly developed forms of democracy. Many popular movements that are striving to broaden and give substance to formal democracies have, however, been short of broad social bases, politically scattered,

organizationally fragmented and unable to win elections. But as 'people power' demonstrations are hijacked by well-organized mainstream politicians, who then also tend to win elections, an increasing number of activists may realize that a substantive and extensive democracy is closely linked to social and economic improvements for ordinary people (like jobs, social security and good education), both to make democracy meaningful and to build popular capacity to use and improve democracy to really control public affairs. It is citizen involvement in planning and budgeting for social and economic development that has reduced the abuse of power in Brazil and the Indian state of Kerala. More broadly, it is the struggle of social movements in coalition with political parties that has spearheaded substantive democratization in Latin America (Chapter 4, this volume). It is the demand for public welfare and democratic channels of influence for trade unions, business actors, activists and experts that has been at the forefront of democratization in countries as diverse as South Africa and Indonesia. It was more democracy that made peace and reconstruction possible in Aceh after the tsunami, in stark contrast to Sri Lanka (Stokke and Uyangoda 2011; Törnquist *et al.* 2011). And with these experiences and experiments in substantive and extensive democracy comes an increased interest in the history of successful social democracy projects such as those in Scandinavia.

Another reason for the increasing relevance of social democracy in the larger part of the world is the rapid economic growth of major powers such as China, India and Brazil. Here development is more uneven than in the classical developmental states such as South Korea and Taiwan. While several business actors and middle-class groups benefit alongside farmers and skilled workers, poor peasants are marginalized and agricultural and casual workers are left unemployed or underemployed. India's economic growth, for example, is based on services and advanced production rather than industries where ordinary people can find employment. A general problem in countries currently experiencing rapid growth is that the different sectors often do not support each other. This cements uneven development and deep inequalities. Moreover, the problem spreads to weaker countries, as cheap imported products undercut local industries and foreign investors exploit raw materials and use even cheaper labour. As a consequence, demand arises for investments that generate more jobs in combination with equal wages and social security. China is still short of a general welfare system, but social democratic governments such as Brazil have made some improvements. India too has implemented an at least comparatively universal scheme for rural employment.

A recent comprehensive report from the United Nations Research Institute for Social Development (UNRISD 2010) shows that efforts at combating poverty and inequality guided by the ideas of the IMF and the World Bank have often failed because power relations have been neglected. Successes rest instead with structural changes made through state-led economic growth on the basis of full employment in productive sectors and universal social security arrangements. This in turn has called for progressive coalitions of sufficiently powerful actors – and sufficient democracy with which to build them. For UNRISD too, then, Scandinavian social democracy serves as an important point of reference. But it is not the reinvented current versions of the Scandinavian social democracy, which prioritizes the adjustment of disciplined and skilled labour to market-driven globalization, that stands at the forefront. The main focus of interest lies instead in the successful combination of social welfare and economic growth that was initiated in the 1930s *against* aggressive capitalism and industrial conflict, economic depression and widespread outright poverty.

At this point it is important to recognize that the fundamental conditions for success in Norway and Sweden were not limited to the benefits of early Keynesian economic stimulation and favourable export markets, as tend to be emphasized by mainstream economic historians. It was just as crucial that these benefits could be sustained through central-level collective agreements between employers' associations and trade unions, with the support of the new social democratic government (Moene and Wallerstein 2006). These pacts are interesting in themselves, but since they cannot be exported to other contexts one has to focus on the underlying social and political dynamics, especially with regard to what was structurally determined and what rested with more or less well-thought-out politics. We shall soon return to some of the transformative politics involved, but first we need to add a few remarks on the logics of the pact itself and the preconditions.

The pact

On the one hand, Scandinavian trade unions won collective agreements with the employers on equal wages. This was to the benefit of the low-paid majority of the workers and casual labourers. It also created more jobs by increasing the competitiveness and expansion of the modern export industry as well as by enforcing investment and economic growth in weak sectors, thus making development much less uneven than is the case in many of the current industrializing countries such as India. As the tax basis increased, the wage earners also

gained basic welfare from the state, including pensions, social security, improved housing, education and training as well as unemployment schemes. They also came to influence the central and local governments' executive boards and commissions (and to some extent corporate boardrooms).

On the other hand, the dynamic entrepreneurs gained industrial peace, wage levels based on what companies exposed to international competition could pay and a public insurance system that took responsibility for social welfare and support to the unemployed – which in turn was a precondition for the flexible labour market and the chances of rationalizing production (without expensive conflicts) that promoted growth.

These agreements were made not to negate class struggle but to channel it through democratic institutions if possible, which also allowed for negotiations towards social and economic development. Thus economic growth and public revenues increased by way of comparatively equal wages, full employment, social security and more gender equality. It also meant that democratic regulation of society became more important to trade unions and related politicians than the issue of ownership.

Structural preconditions

Have these kinds of pacts become obsolete due to individualization and problems of collective action? We hold that the ongoing second 'great transformation' of neoliberal globalization produces socio-economic grievances and associated collective struggles with similarities to the formative period of Scandinavian social democracies. By the late 1920s, Sweden and Norway were dominated by aggressive capitalism and industrial conflicts, economic depression and widespread poverty. Neither the conservatives nor the left had any viable political and economic strategy for dealing with the challenges, which partly calls to mind the current situation of the left in the Global South. The main focus of our interest lies thus in the successful transformative politics that initiated and also benefited from the welfare-based growth that evolved in the 1930s. A number of the imbalances and conflicts were of course different from contemporary Global South, but not all. As in the rapidly industrializing countries in the South today, much of the dynamics of growth was related to the internationalized, modern parts of the economy, while a majority of the population remained in agriculture and other low productivity sectors. Also as in today's Global South, there were severe problems of unemployment and poverty among large sections of the population. Finally, it is also the case that the main competitors

in the provision of jobs and welfare – the Nazi and Fascist projects – had ethno-nationalist and communitarian components that call to mind some of the current challenges of communitarian politics in the Global South.

The transformative politics

While pointing to similarities between Scandinavia in the 1920s and 1930s and the contemporary Global South, it is clear that the preconditions in the South for similarly strong organizations, public institutions and positive government are less favourable. As shown for instance in Harriss *et al.* (2004) and Törnquist *et al.* (2009), substantial public resources have typically been depoliticized. Thus state capacity to implement policies has been weakened and democratic governance has become a matter of technocratic management. Polycentric citizen associations, social movements and fragmented trade unions have largely failed to renew deteriorating popular organizations and elitist parties. In short, freedoms have gained ground but democracy has been depoliticized and many conflicts have been dressed up as questions of identity and community. Yet poverty, conflicts and weak state capacity were the order of the day in Scandinavia too in the initial part of the 20th century. Most importantly, the development of the more favourable prerequisites was just as much about politics and policies as historically rooted structures. And once the latter conditions have been identified one may discuss ways of compensating for the lack of them.

In order to specify relevant experiences, the point of departure should be the careful identification of problems in other contexts so as to avoid repeating the mistakes of both the liberal and Marxian modernization schools that tried to export turnkey solutions from one context to the other. The first of two processes to which one may draw special attention is rooted in the relatively early development of universal welfare programmes in Sweden and Norway through the state and local authorities. This is in contrast to targeted and means-tested measures with supplementary self-help and education through civil organizations, which remain the predominant pattern in other contexts, including in the Global South. It seems important to understand the historical dynamics in Scandinavia in which the universal schemes evolved through authorities accountable to elected politicians and the representatives of issue and interest-based organizations, in spite of the fact that the short-term price for the labour movement was weaker popular organizations and parties than if these had been able to provide special

benefits to their members and supporters. The longer-term benefit, however, was that the popular movements themselves were able to contain the kind of 'special interests' that are so common in post-colonial pressure politics. The major gains were the focus on the 'common good' and the obvious chance of gaining support from popular majorities. This enabled the social democrats and more radical socialist allies to include not just permanently employed workers but also most of the casual workers, the unemployed, small farmers and business actors, and later on civil servants and private employees, with an ideology of turning Norway and Sweden into democratic inclusionary 'people's homes' based on solidarity and generalized welfare schemes in particular.

This may be of some interest to post-colonial countries with both substantial informal employment and an agricultural population that is threatened by exclusion and primitive accumulation. It may also add an important dimension to the discussion about when and how different welfare programmes may foster transformative politics. This was anyway how the social democrats succeeded in winning elections and in providing a viable alternative to the 'national-socialist' welfare programmes that gained popularity in many other countries during the 1930s and early 1940s. Some aspects of this way of confronting ethnic national chauvinism may be of interest today too, including in Scandinavia, with its own problems of accepting immigrants and Muslims in particular, but also in other contexts of sectarian politics.

Universal state support to the individual rather than the family (as in the less generous conservative welfare state model) or through the market and civil society (as in the liberal model adopting a system of means-tested basic subsidies) was also a matter of providing each and every citizen with as much substantive political equality and freedom as possible. In fact, a democratically controlled state was in this regard deemed to be a better ally of the working class (and later on middle classes too) than the family and church or the market and self-help civil society organizations. Freedom-seeking youth and women fighting for equal rights and independence were among the prime beneficiaries.

The second process relates more specifically to the challenges faced by most countries in the Global South – of poor popular organization and representation of interests and ideas from below. Remarkably, the initially quite fragmented and localized labour groups in Scandinavia – and almost as importantly the leading employers too – coordinated their respective organizations at an early stage. It is particularly interesting to read and explain this comparatively puzzling historical process towards

unification in view of the current fragmentation and polycentrism of various left-oriented groups in much of the Global South.

One case of transformative Scandinavian politics is especially interesting. The demands from below of various groups for the representation of interest and issue-based organizations in public governance (the so-called social or plural corporatism) did not just lead to favourable welfare and production-oriented policies. It also generated rules and regulations for collective representation, which fostered broad, national and democratic organizations. Neoliberal perspectives are now undermining this kind of interest-based representation in Scandinavia and its various related institutions. But for decades they did supplement both the liberal democratic general elections and the autonomous civil society organization that are often dominated by influential citizens and generate a myriad of lobby and pressure groups (Rothstein 1999; Trägårdh 2007).

A final and perhaps especially important factor in the Global South, where corruption is high on the agenda and many actors deem politics and democracy to be a major problem, is the Scandinavian development of and confidence in high state capacity. The combination of supplementary popular representation and a general right to information about all stages in the government of public matters fostered public spheres for cooperation, control and influence. This representation and freedom of information contributed to the containment of corruption and favouritism (Rothstein 2005).

Implications for global cooperation

Would the growing relevance of the historical dynamics of the Scandinavian transformative politics in the Global South be important in the North too? Would interest in the South affect the significance of the original model in Scandinavia itself? And would it be rational, within the framework of globalization, for Scandinavian social democrats to rethink their own international priorities in favour of partnerships with like-minded actors in the Global South? The answer to these issues depends on how Scandinavian social democrats analyse their own challenges and whether rethinking global engagements is deemed to be relevant at all. Interestingly, the Norwegian and Swedish social democrats illustrate two different responses.

In September 2010, the Swedish social democratic party suffered its worst electoral defeat in almost 100 years, while in Norway a red-green coalition government spearheaded by the Labour Party has managed to

maintain a stable majority government since 2005, following a devastating electoral defeat in 2001 due to conflicts between trade unions and 'New Labour' inspired neoliberal policies.

In Sweden, the devastating electoral defeat of the social democratic party forced the then party leader and party secretary to step down. There was a full-scale political crisis, there were no obvious successors and the new rhetorically leftist party leader was only elected in the face of deadlock among the main contenders. Short of substantive backing from leading party circles, and without the necessary qualities of his own, the new leader immediately failed and the party was left drifting in rough media waters. Inevitably, therefore, a new leader had to be brought in from the only remaining solid organization, the trade union movement; a new leader whose solid basis in working life, commitment to the welfare-based growth doctrine and clear-cut focus on the need for more jobs have at least prevented the ship from sinking, albeit still short of viable alternative policies, let alone a transformative strategy.

One could argue that this crisis is not unique within the European Union and that what has happened is that social democracy and the welfare state in Sweden have also finally lost out to neoliberalism and conservative populism. But the electoral defeat was primarily due to the lack of a convincing alternative to the conservative party's shift from neoliberalism to a reinvented version of the Scandinavian model in support of 'competitive hard working people', which, it was argued, would also foster core elements of the welfare state.⁵ The social democratic party was also unable to expose the fact that the exclusion of people 'who do not work' in the conservative reinvention of the welfare state undermines the growth-generating social pacts that have used universal welfare policies and comparatively equal wages to stimulate modernization, international competitiveness and thus also economic growth.

In Norway, the Labour Party made a remarkable comeback in the 2005 elections through a new alliance with the leftist and centre parties. This is commonly ascribed to the re-emphasizing of the Scandinavian model coupled with reforms to make the state and public services much more efficient and user-oriented.

The liberal explanation for the Norwegian success is that it is due to its huge oil revenue, but this is misleading. Just as early Keynesianism and good export revenues from trade with Germany were *not* the major reason for the rise of social democratic hegemony in Sweden in the 1930s but rather the way in which growth was sustained for decades by welfare policies and social pacts, the main reason for the strength

of the social democratic model in Norway is not the oil revenue itself but how it is used and governed. Norway is unique among the oil- and mineral-rich countries around the world in having avoided the 'Dutch disease' (spending too much oil revenue and thus undermining the competitiveness of non-oil industrial and service sectors), extensive rent-seeking and corruption. This can only be explained by the long tradition of social democratic politics and institutions (Mehlum *et al.* 2008).

The more serious issue is if the application of new public management regimes and subcontracting to reduce state expenditures and streamline social security and labour market regulations (to foster internationally competitive, post-industrial and knowledge-based business) undermines democratic and rights-based transformative politics. Internationally, there is also the risk that active Norwegian engagement in climate change mitigation, peace building and the promotion of human rights and 'good governance' is directed in such ways as to reduce the need for expensive environmental measures at home and to cater primarily to instrumental Norwegian economic and diplomatic interests abroad.

This contradiction may be avoided, but only if support for environmental protection elsewhere is combined with support for the necessary transformative *politics* to foster sustainable development, only if trade and investments are in line with local social democratic-oriented policies and only if like-minded local partners are supported by making genuine democratization fundamental to engagement in peace, human rights and 'good governance'. The crucial question is, thus, 'what would allow for such priorities'.

Current challenges and the need for global alliances

Given the widespread general critique of globalization, it is important, firstly, to recall that much of the historical transformative politics in Scandinavia did foster free international trade rather than resist it, except in the defence of small farmers during the much longer period that was needed for structural adjustment in agriculture. And in spite of neoliberalism, many middle-class voters and companies remain supportive of at least those parts of the welfare state that are to their own benefit.

Yet it must be admitted that current globalization does undermine the combination of welfare and growth policies within national borders. Post-industrial development in countries like Norway and Sweden reduces, moreover, the social basis of social democracy among workers and employees in industry and the public sector, while there are more

and more entrepreneurs, experts and service sector employees. The latter groups, it is often argued, can regulate social relations on their own without strong parties, trade unions and representative democracy. All they need, the argument goes, are laws, rights, their own civil societies and direct participation.

However, even if the working class is reduced in Scandinavia it is expanding together with dynamic business actors and large populations of poor people in many countries with rapid economic growth. If vested interests in profit and consumption continue to dominate this process without relevant regulations in the new growth countries, it means that uneven social and economic development combined with environmental destruction will continue in the Global South. But a further consequence may also be that there will be less investment in countries like Norway and Sweden, reduced tax incomes to finance the welfare state, surging inequalities and problems of unemployment, a number of environmental challenges and economic refugees. In this way it may also be increasingly difficult to maintain strong trade unions and other organizations as well as related parties, all of which have been crucial for the welfare-based growth and the development of inclusive forms of democracy. Such forms of democracy have included not only elections but also the separate representation of various ideas and interests, and this has in turn been important in the development of state capacity and trust in public institutions.

In Scandinavia this should be a concern not only for the core social democrats and socialists but also for middle-class citizens and those business actors who seem to be interested in sustaining those parts of the democratic system, welfare state, economic growth and nature that they already enjoy. For some common platform to emerge, however, there is a need for innovative politics towards alternative structural reforms, environmental policies and renewed welfare systems. And most importantly, this must be developed as part of common international interests in developing democratic transformative politics with like-minded partners in the Global South.

Notes

1. The standard references in English about the development and character of the Scandinavian model, which we shall draw on throughout the chapter and only add supplements to when necessary, include Esping-Andersen (1985) and Przeworski (1985). For comparisons with Germany, see Berman (2006), with the United States, Swenson (2002) and with other welfare states, Esping-Andersen (1990).

2. While Hilson (2008), for instance, speaks more generally about a 'Nordic model' that also includes Finland and Iceland, we are limiting this discussion to the Scandinavian countries of Denmark, Norway and Sweden where the transformative social democratic politics have been quite similar, especially in Norway and Sweden.
3. This discussion about the historical making of the Scandinavian model has gained additional relevance in a situation where political parties across the spectre from left to right proclaim their support for the welfare state while advocating different positions on the past, present and future of it. Some of the learned discussions mentioned above have been utilized by Scandinavian conservative parties as well as ethno nationalists, in addition to their European partners, in virtual campaigns to claim that they embody the very roots and core aspects of the Scandinavian model – in terms of supposedly unique Nordic cultures, rationality and work ethics. This is not just fostering right-wing populism. It also legitimizes the redefinition of welfare state measures, labour-market regulations and economic policies in favour of adjusting labour (including those without jobs and the pensioners) to increasingly globalized business and market priorities as well as to provide extra benefits and tax reductions to those in demand and those who adopt and abide. The Swedish neo-conservative government has been particularly successful in this respect, at the time of writing also boosting and trading its revisionist 'Nordic model' to Norway, Britain and Europe at large. This is of course in sharp contrast to the original model of strengthening the position and collective rights and organization of labour on the basis of inclusive citizenship and extended democracy against the negative aspects of capitalism in ways that promoted modern social and economic development generating resources for further advances. As these transformative elements of the model have been increasingly neglected for decades by the leading social democrats too, no real alternative has so far been provided in Sweden while certain attempt have been made since 2001 in natural resource rich Norway.
4. This and the following section draw extensively on Harriss *et al.* (2004), Törnquist *et al.* (2009) and Törnquist's contribution to Chandhoke *et al.* (2012).
5. The reinvented welfare policies are quite different from the equality-oriented social democratic politics and policies that shaped the original Scandinavian model. They combine, on the one hand, the conservative, paternalistic and often Christian Democratic model from the dominant continental countries of the European Union that provides social security in proportion to people's status and income, and, on the other hand, the much more liberal model in the Anglo-American world that features minimal and targeted social security, primarily through market provisions and supplemented by self-help and charity in civil society.

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PROOF

Kristian Stokke and Olle Törnquist 41

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3

Participation and Democratic Transformation: Building Effective Citizenship in Brazil, India and South Africa

Patrick Heller

Introduction

When we pose the question of democracy and inclusionary development in the Global South we are inevitably drawn to models of political economy. One could be forgiven for quickly turning to European social democracies for inspiration. The democracies of Northern Europe have indeed demonstrated that it is possible to reconcile the imperatives of capitalism, including global competitiveness, with social policies that promote inclusion and equality. But in telling the story of the rise of social democracy and its protagonist, the industrial working class, there is a tendency to telescope history and in so doing to conceal a critical part of the story. And what is concealed, it turns out, is critical to understanding the prospects for inclusionary democratic development in the Global South. Social democracy did not begin with the working class and a grand class compromise that reconciled private profit with social investment. This social bargain was rather the end point of a fairly long, often contentious, process of mobilization and political transformation. It took root, I argue, in local democratic arenas, and the key ingredient

The arguments developed in this chapter draw on a number of collaborative research projects. Citations are provided in the text, but I want to specifically acknowledge Gianpaolo Baiocchi and Marcelo Silva for work in Brazil, and K. N. Harilal, Thomas Isaac and Shubhaum Chaudhuri for work in Kerala, India. This chapter draws significantly from two earlier publications: Baiocchi *et al.* (2011) and Heller (2008).

was not so much the formation of a working class that came to demand social democracy, as the more general formation of effective forms of citizenship. This more prosaic process was, at the very least, a necessary prerequisite to the kind of politics that would eventually produce social democracy. And this is arguably precisely where the challenge of democratization in the contemporary Global South currently lies.

The comparative literature on the European welfare state has been an especially fruitful area of enquiry. As is now well established, the post-World War II trajectories of European welfare states, and most notably the social democratic variants, enjoyed a virtuous cycle of democracy and socio-economic incorporation. This finding has been built on the strength of comparative research that supports a relatively parsimonious causal claim: the degree, scope and 'encompassingness' of working-class mobilization is directly correlated with the size and depth of the welfare state, which is in turn directly correlated with more egalitarian economic and social outcomes. It is moreover notable that these social gains have not come at the expense of economic dynamism and indeed that social democratic states have been especially proficient at successfully adapting to the competitive challenges of globalization.

When the causal argument is broken down, it becomes clear that the relationship between working-class mobilization and positive distributive outcomes is highly contingent. Working-class politics, as Przeworski (1985) has so emphatically argued, were the *effects* of struggles. Such struggles were first and foremost struggles for recognition and representation, and any account of the rise of the welfare state is ultimately an account of democratization.¹ And if we unpack the specific conditions under which democratization came to be linked to redistribution, it becomes clear just how central evolving patterns of civic and political participation were. First, because the working class has almost never been a numerical majority in its own right, working class electoral power has almost always required alliances with other classes, notably the small peasantry or the urban middle class. Forging such alliances depended critically on different classes' varying bargaining power and organizational cohesion (Luebbert 1991). Second, political parties have played a key role both in mobilizing and framing demands for redistribution and in negotiating the terms under which the requirements of accumulation in a capitalist economy can be coordinated with redistributive policies (Przeworski 1985). Third, the capacity of subordinate classes to secure their material interests through electoral politics ultimately depended on their success in surmounting significant obstacles to collective action. Rueschemeyer *et al.* (1992) have

famously argued that the existence of a strong civil society enjoying relative autonomy from the repressive capacities of the state was critical to working-class political formation. Well before the working class won electoral power, its interests were forged in public spaces of bourgeois democracies, through a range of associations (from unions to book clubs) and through episodic periods of social mobilization.

Indeed, we can take this argument one step further. Recent work on Swedish social democracy shows that many of the core ideas that would eventually set the stage for social democracy, both in terms of widely held norms and innovative social practices, had their origins in local democratic practices. Rothstein argues that the specific forms of corporatism that have defined Swedish social democracy first took shape at the municipal level when local officials in the early 1900s tried to find solutions to the 'labour question'. Thus, local labour exchanges that sought to provide local businesses with labour, and workers with less uncertainty and more regulated conditions of work, innovated the practice of tripartite inter-class coordination based on encompassing representation even before the working class had secured the right to vote.²

More generally, an examination of the origins of social democracy underscores the powerful, if somewhat mechanistic, claim that T. C. Marshall famously made, namely that acquiring and securing civic and political rights is a necessary prerequisite to achieving social rights. In sum, the robust comparative lesson of the history of the European welfare state is that redistributive policies and social protection are most likely to be expanded when subordinate groups can build collective power and effectively reshape democratic institutions.

How well does this analytic frame extend to explain the possibilities for just and inclusive development in the Global South? If one simply focuses on the role of the working class, then the answer has to be *not very well*. First, and most obviously, the protagonist of the European social democratic trajectory is simply missing in action in much of the Global South. This is true both in a structural and political sense. As has long been noted, the conditions of capitalist development in the Global South have never been favourable to the classic patterns of working-class formation. In the global periphery, the process of industrialization has often been either highly capital intensive, producing a small and geographically concentrated working class as in many Latin American countries, or highly dependent on informal arrangements for securing labour power (bearing significant resemblance to what Marx described as

PROOF

Patrick Heller 45

the labour-coercive phase of early European capitalism) that present nearly insurmountable obstacles to working-class formation.³ And even when structural conditions have been more favourable to working-class formation, the timing and sequencing of working-class politics has often favoured state-dominated strategies of incorporation, such as in Latin American corporatism or its East Asian variant, which has fragmented working-class politics through highly graduated and selective provisioning of social benefits.

If a straight extension of the *working-class power* argument to late developing societies does not make sense, we should not however be too hasty in dispensing with the broader insight that there is a link between subordinate class politics and redistributive outcomes in the Global South. We can begin by recognizing existing models of rights-based welfare and development in the Global South. In a recent book, *Social Democracy in the Global Periphery* (Sandbrook *et al.* 2007), Costa Rica, Chile, Mauritius and the Indian state of Kerala are all identified as successful cases of combining development with democracy and equity. All have achieved high levels of human development, sustained and deepened democratic institutions and practices (with of course the notable exception of the Pinochet period in Chile) and have also all done reasonably well in maintaining high levels of growth without sacrificing equity gains in the most recent period of globalization. The fact that these four cases are very different from each other and yet have achieved similar levels and types of development points to the need to recognize 'exceptions of a general type'. These cases are all the more exceptional because none would have been singled out as likely candidates for inclusive democratic development in the 19th century. Even by the standards of their respective regions, Costa Rica, Chile, Mauritius and Kerala were extremely poor and politically underdeveloped. They were also all highly integrated into the global economy as primary exporters, and more or less mono-exporters (copper, coffee, sugar and spices). What their trajectories did have in common was that the transition to democracy was driven by subordinate class mobilization and that the subsequent pattern of democratization went hand in hand with building comparatively robust welfare states. The mass protagonist was not the industrial working class but rather a quite diverse assemblage of subordinate classes including landless labourers, the urban poor and small farmers; thus these cases suggest that a range of social actors with quite different structural positions in the economy can converge in support of policies for social protection and equity. The recent pink tide in Latin America, and more specifically countries such as Brazil that have

recently had some success in tackling inequality through social policies, only reinforce this point.

There are thus two important lessons for thinking about the possibilities of equitable and democratic development in the era of globalization. The first is that for all the constraints that late developing societies face in reconciling capitalism with equity, outcomes are far less over-determined than the contemporary critique of neoliberal globalization suggests. None of these cases, it should be emphasized, have achieved the degree of universal benefits and the emphasis on full employment policies that characterize the Northern European welfare states. Given the nature of the post-industrial economy and the challenges of pro-employment policies in a world of fully mobile capital, one can hardly exaggerate the structural constraints of building a comprehensive welfare state in the Global South. But if we recognize that more inclusive development begins with capability enhancement and a modicum of social protection, then these cases of social democracy in the periphery are remarkable achievements. Second, if we are to identify such possibilities rather than look for formed subordinate groups we should be looking at the political conditions that might favour subordinate group formation or even more basically, effective citizenship. This in turn calls for a more critical examination of the nature of actually existing democracies in the Global South, and here we are faced with a number of rather challenging paradoxes.

On the one hand, the wave of transitions away from authoritarian rule to representative democratic systems in the developing world marks a significant juncture. Whatever their limitations may be, these new, and in cases such as India not so new, electoral democracies have dramatically expanded the spaces for subordinate politics. The increased mobilization of lower castes in India over the past two decades and the dramatic rise of indigenous political power in the Andean nations are only two examples. Yet on the other hand, there are good reasons for scepticism. It *may* indeed be the case, as Schmitter has dryly observed, that 'democratization and the consolidation of democracy have been so successful because democracy has been so much less consequential than its proponents wished and than its opponents feared' (Schmitter 2009: 21). Even if one doesn't share Schmitter's view, it is still the case that the democratic deficit in the Global South remains severe.

Thus, despite the consolidation of formal representative institutions and significant gains in associational freedoms, pervasive inequalities between citizens along class and other lines and severe problems in preserving the chain of sovereignty between citizen and state have limited

the effective representativeness of democratic institutions (Törnquist *et al.* 2009). These fundamental deficits of representative democracy in the Global South have hampered subordinate group collective action and severely restricted possibilities for building effective welfare states. Note that the missing link between representation and substantive outcomes is the nature of participation. To understand what, if any, virtuous linkages might exist or emerge between subordinate class politics and more inclusive development outcomes, we need to focus more specifically on the conditions and possibilities for the effective practice of democratic politics. As argued earlier, this means focusing on the formation of citizens rather than on the formation of classes. This point calls for some elaboration.

In the context of developing world countries, the core deficit is what I would refer to simply as 'effective citizenship'. Classical and contemporary theories of democracy all take for granted the decisional autonomy of individuals as the foundation of democratic life. All citizens are presumed to have the basic rights and the *capacity* to exercise free will, associate as they choose and vote for who they prefer. This capacity of rights-bearing citizens to associate, deliberate and form preferences in turn produces the norms that underwrite the legitimacy of democratic political authority. But as Somers (1993) has argued, this view conflates the *status* of citizenship (a bundle of rights) with the *practice* of citizenship. Given the highly uneven rates of political participation and influence across social categories that persist in advanced democracies (and especially the United States), the notion of citizenship should always be viewed as contested. But in the context of developing democracies, where inequalities remain high and access to rights is often circumscribed by social position or compromised by institutional weaknesses (including the legacies of colonial rule), the problem of associational autonomy is so acute that it brings the very notion of citizenship into question (Fox 1994; Mamdani 1996; Mahajan 1999). A high degree of consolidated representative democracy as we find in southern democracies such as Brazil, India and South Africa should thus not be confused with a high degree of effective citizenship. And in the absence of effective citizenship, the problem of subordinate group collective action becomes acute.

In grappling with the question of effective citizenship there are two distinct axes of practice that have to be taken into account. On the horizontal axis we find that associational capabilities are unevenly distributed across social categories. Some groups have more resources and skills of association than others, and indeed some groups are so socially

marginalized as to be virtually excluded from the public sphere. The vertical axis refers to how citizens actually engage with the state. The problem here is twofold. On the one hand, there is the problem of *how* citizens engage the state. State–society relations in the developing democracies tend to be dominated by patronage and populism, with citizens either having no effective means of holding government accountable (other than periodic elections) or reduced to being dependent clients. In the absence of clear and rule-bound procedures of engagement, citizens cannot engage the national, or equally importantly the local state *qua* citizens, that is as autonomous bearers of civic and political rights. On the other hand, there is the problem of *where* citizens engage the state, which is the problem of the relatively narrow institutional surface area of the state. Given that local government is often absent or just extraordinarily weak in much of the developing world, there are in fact very few points of contact with the state for ordinary citizens. Taken together, the vertical problem of state–society relations and the horizontal problem of perverse social inequalities undermine the associational autonomy of citizens, the *sine qua non* of any effective democracy (Fox 1994). Just because citizens can vote does not mean that they can participate equally or consequentially in the political process. From this vantage point we may thus assert that the right of participation, and more concretely effective citizenship, fundamentally conditions the core principle of popular sovereignty. As Chandhoke has argued, much as we regard the right to vote as a root right of democracy, we have to give the ‘right of participation’, which she defines as ‘the right to participate in institutions that make public decisions or in deliberations on and around these decisions’, equal status (2009: 27–28).

Identifying the practice of citizenship as the central problematic of democratization focuses our attention on who participates, how they participate and where they participate. How do formally endowed citizens in the democracies of the Global South actually put their rights to use, and in particular develop their collective power? This is a question that has taken centre stage in academic literature, but one that has also been driven by actual developments in many democracies of the Global South. In the past two decades, a number of democracies in the Global South have embarked on ambitious reforms to strengthen local democratic government. In many of these cases, pressure to democratize local government has come from social or political movements that have explicitly contested elite-dominated forms of democracy (Avritzer 2002). These instances of *participatory politics* invariably begin with critiques of

the deficits of representative institutions and end by advocating reforms geared to enhancing citizen engagement with the state, and in particular the local state. These instances of participatory politics have been explicitly about making effective citizens.

In this chapter I examine three cases of participatory politics that have similar origins but different outcomes. The first is the nationwide effort in South Africa to promote direct community involvement in local government through decentralization and constitutionally mandated citizen participation in the formulation of local plans and budgets (Integrated Development Plans). The second is the ‘people’s campaign of decentralized planning’ (hereafter the Campaign) launched in the Indian state of Kerala in the wake of the passing of constitutional amendments at the national level in 1993 that mandated more democracy and more development for local governments. The third is participatory budgeting in Brazil, which first emerged in the now-fabled case of Porto Alegre but has since spread to over 400 cities (and has been ‘transported’ to highly diverse settings such as Peru and Spain). All three of these cases are instances of concerted efforts, led in different combinations by states, parties and civil society actors, to create and nurture *decentralized participatory governance*, or DPG.⁴ In the discussion below, I first develop a framework for comparing these three cases. Then I provide an overview of the experiments and an assessment of their impact. Finally, I draw out some general lessons for both the conditions under which participatory politics can take hold and some broader lessons about participatory politics.

Institutions and politics of decentralized participatory governance

The debate on how to strengthen the democratic accountability of local governments has generally been divided between those who emphasize the importance of building ‘good institutions’ and those who emphasize participation. Those who place their faith in institutional design (let us call them the *institutionalists*) believe that too much participation can overwhelm new and fragile institutions (echoes of Huntington), and those who champion participation (let us call them the *participatistas*) believe that an overemphasis on institution-building crowds out civil society.⁵ These two zero-sum views are echoed in the academic literature, along both disciplinary and ideological fault lines. Economists, and to a lesser extent political scientists, are more preoccupied with getting

the incentives right in order to achieve the optimal allocative equilibrium, whereas sociologists and anthropologists are more concerned with getting the process right by levelling power asymmetries. Ideologically, the fault line lies between those who put their faith in formal institutions, high modernists of both the left and the right, and those who put their faith in civil society, which can mean either an emphasis on the virtues of 'communities' or on the virtues of the public sphere. (It is worth noting that this policy-world debate very much reflects the division in the debate on democracy between theories of formal democracy that emphasize the aggregative function of electoral institutions and normative theories of democracy that emphasize the intrinsic value of participation and deliberation.)

Both the *institutionalist* and *participatista* view ultimately fails to provide a comprehensive understanding of the local democratic state. The *institutionalists* fail because they assume that if built correctly, the institution will work irrespective of the power equations in society. While this view may hold some water in contexts characterized by robust and evenly distributed associational capacities, in most young democracies associational capacities are circumscribed by a range of extra-institutional constraints and the actual capacity to 'work the institution' will vary dramatically across social categories. Under these conditions, institutions are likely to be captured by elites or governed by logics that have exclusionary effects. The *participatistas* fail because they invariably presume that communities or disadvantaged groups have some innate associational capacity, be it social capital or mobilizational energy, which simply needs to be harnessed. But even if we accept that collective capacities and learning are central to both the normative and instrumental case for participation, there are still two fundamental problems this view leaves unresolved. The first is that associational life is in many ways an artefact of institutional design, and that promoting participation requires building new kinds of institutions. The second is the chain of sovereignty problem, namely the issue of how participatory inputs are actually translated into actual outputs. Both problems require very serious attention to institutional design, including complex issues that are generally the purview of the technocrats and often shunned by the champions of civil society and social movements.⁶

I emphasize these divisions because this tension between *institutionalist* and *participatista* views, which in real-world terms translates into the balance of power between state actors (politicians and bureaucrats) and civil society, animates much of the debate and marks a key line

of tension in all three cases I examine. The public debate around these reforms generally takes the form of stark oppositions between delivery and participation, top-down versus bottom-up planning, 'hard' versus 'soft' development, and in political terms, as we shall see, between the organizational imperatives of political parties and the demands of social movements. But while these fault lines are very real, if in no other sense that they have become the loci of political contention, they provide an overly stylized picture of the problem that elides much of the political and institutional complexity of building DPG (decentralized participatory governance). From the perspective of developing transformative politics, what is most problematic about these stylized narratives is that they present state and society as locked in a battle of irreconcilable logics, leaving little room for positive-sum configurations and workable strategies to achieve the double desiderata of DPG. Indeed, as we shall see, DPG has been most successful precisely where and when state and political actors have been able to mould institutional designs to participatory dynamics.

With these qualifications in mind, the tensions between these two logics provide a useful framework for comparing DPG in South Africa, Brazil and Kerala, and although the contexts for each of these three cases are of course different, there is a basis for comparison. First, all three are robust and consolidated democracies. There are no significant social or political forces in Brazil, India or South Africa that do not accept the basic legitimacy of parliamentary democracy. Second, in each case identifiable agents of change, left-of-centre programmatic parties, have created significant opportunities for promoting decentralized local governance. Third, in all three cases the challenges of surmounting accumulated inequalities and entrenched forms of social exclusion are enormous, both at the national and local level. Finally, in all three cases the push for DPG came in large part from civil society, and the role of civil society in shaping outcomes turns out to be critical.

In terms of established institutional capacities, South Africa had a clear and distinct advantage in building DPG having inherited, at least in its major metropolitan centres, what were highly decentralized and high-capacity local states. Under apartheid, local authorities enjoyed fiscal autonomy and had accumulated significant developmental capacities, not least the extraordinary powers of control and surveillance required to manage the exclusions of the apartheid city. Indeed, a slogan of the democratic transition was 'from planning for segregation, to planning for emancipation'. In contrast, the Brazilian state is notorious

for its degree of penetration by political interests (some 'islands of efficiency' notwithstanding), and municipalities have long been ruled by oligarchic interests that have transformed budgeting and planning into little more than an exercise in organized rent-seeking. The Indian state, with the 'steel frame' of the Indian Administrative Service inherited from the British, has been characterized as semi-Weberian (Evans 1995), but at the sub-national and local level the bureaucracy has been deeply penetrated by patronage politics. Even in Kerala, where the provincial state has been widely celebrated for its ability to deliver basic services (Sen 1999; Heller 2000), organized rent-seeking is endemic, amounting by some internal estimates to over 50 per cent of public expenditure (Heller *et al.* 2007). In institutional terms, moreover, the local state (that is municipalities and rural governments) had few developmental functions before the reforms of the 1990s.

But if inherited state capacity favoured DPG in South Africa, the political configuration has proven to be less propitious for participatory politics. As I have argued elsewhere (Heller 2001), what most distinguishes South Africa from Kerala and Brazil is its dominant party system. In Brazil and Kerala, a highly competitive electoral arena has pushed left parties to work closely with civil society and social movements. Thus both the Communist Party of India (Marxist) in Kerala and the *Partido dos Trabalhadores*, or Workers Party (PT) in Brazil have favoured participatory reforms as part of an overall political strategy of strengthening the associational capacities of subordinate groups. This has not by any means resolved the tension between institutional and participatory logics, but has nonetheless allowed for co-production between the local state and civil society. In contrast, in the absence of a viable threat to its electoral hegemony, the African National Congress (ANC) has had little incentive to work with civil society and has instead emphasized the political objective of consolidating its control over public institutions.

These two fundamental differences in political configuration and inherited state capacity have produced dramatically different trajectories of building DPG that when compared, bring into sharp relief the tensions and complexities of the institutional and participatory views of DPG. I draw on the existing literature as well as a number of research projects that I have been involved in to make the case that while in comparative terms the institutional side of the equation is highly developed in South Africa, the participation side of the equation remains poorly developed and has in fact suffered from

many of the conventional zero-sum assumptions that pervade the literature on decentralization. In comparison, the institutional form of local developmental government remains highly problematic in both Kerala and Brazil, but the participatory interfaces that have been built are quite effective and have directly addressed many of the obstacles to participation that are often singled out in South Africa as intractable. Most notably, participatory reforms in Kerala and Brazil have had a direct impact on building civil society capacities and providing subordinate groups with meaningful and consequential opportunities for shaping local development. In contrast, as the ANC has more or less successfully contained civil society as part of its hegemonic project, the resulting absence of participation has weakened citizen formation.

Origins of participatory projects

Much as in the case of Brazil, the transition to democracy in South Africa was accompanied by powerful calls for institutionalizing participation. The anti-apartheid movement was spearheaded by a broad coalition of civil society organizations, but the mass element of the movement was dominated by what were known in South Africa as *civics*. These neighbourhood associations initially emerged as community-based efforts at self-provisioning in black townships, which in the 1980s became powerful vehicles of organized resistance to the apartheid state by leading a series of boycotts and protests that were critical to bringing the apartheid government to the negotiating table. The organizational forms pioneered by the *civics*, street and area committees that answered to popular assemblies, embodied 'a distinctive notion of participatory democracy [and] an assertion that the democracy of the ballot box constituted a truncated and deformed form of citizen power' (Adler and Steinberg 2000: 8). Indeed, it has been remarked that the strength of the *civics* was such that South Africa stands out as the only case of democratic transition in which negotiations were not limited to the national and to political parties, but also directly incorporated grassroots organizations (Swilling and Boya 1997).

At the time of its democratic transition, South Africa's foundational development document, the Reconstruction and Development Programme (RDP) explicitly identified participatory democracy as a key objective and argued that all local development had to be based on the mobilization of civil society. The umbrella organizations representing *civics*, the South African National Civics Organisation (SANCO), played

a key role in shaping urban policy, including the Local Government Transition Act, which constituted local government as an independent sphere of government and devolved significant budgetary and developmental powers to municipalities. Subsequent legislation, moreover, mandated a series of participatory processes in local governance; most notably, that all municipalities in South Africa must formulate an annual Integrated Development Plan (IDP) through a mandated process that called for broad-based community participation. And in the early years of post-apartheid South Africa, Community Development Forums (CDFs) were a ubiquitous phenomenon in townships, serving as popular assemblies in which local development plans and interventions were debated.

The Indian state of Kerala (population 31 million) has long been recognized for its achievements in promoting social development (Drèze and Sen 1995; Heller 1999; Williams 2008). But despite the strength of mass movements (most notably organized labour) and a high literacy rate, Kerala, as is true of all Indian states, has been governed in a highly top-down fashion. Vertically organized state bureaucracies have exercised a virtual monopoly in service delivery and development, and local government – municipalities and rural governments – have enjoyed very limited powers with virtually no resources to promote development. Until recently, the first level at which Indian citizens encountered a democratically constituted form of the state was at the provincial level, with the average Indian state having a population of 30 million in 2001. This began to change in 1993 with the passage of the 73rd and 74th constitutional amendments that gave new powers to local governments and mandated citizen participation in the form of *gram sabhas* (village assemblies). The amendments, however, left the details of implementation to the states. States did institute regular local government elections, but for the most part failed to devolve significant responsibilities and resources downwards. This was largely because parties that rule at the state level depend on local powerbrokers that are directly threatened by democratic decentralization. But in Kerala, a coalition of left parties led by the Communist Party of India-Marxist (CPI(M)) returned to power in 1996 and immediately launched the 'People's Campaign for Decentralized Planning' (the Campaign hereafter). Inspired and informed by a state-wide community organization, the Kerala People's Science Movement (KSSP), a 50,000 member organization with a long history of promoting local experiments in participatory planning and development, the CPI(M)-led government implemented what is in scope and scale undoubtedly one of the most ambitious

PROOF

Patrick Heller 55

participatory reforms ever undertaken. All 1214 local governments in Kerala, municipalities and the three rural tiers of district, block and *gram panchayats* (rural local governments), were given new functions and powers of decision making and were granted discretionary budgeting authority over 35–40 per cent of the state's developmental expenditures. In addition to devolving resources, state officials sought to promote participatory democracy directly by mandating structures and processes designed to maximize the direct involvement of citizens in planning and budgeting.

In Brazil, the return to democracy in 1989 not only marked a significant political transition, but also the ascendancy of civil society organizations. The new constitution (1989) introduced a wide range of participatory mechanisms, including popular councils in health and education, and new powers and responsibilities for local government. But local politics in Brazil are dominated by traditional elites, and the take up of these new participatory opportunities was limited. The exception was participatory budgeting (PB), first introduced in the city of Porto Alegre in 1983 by a PT government. Initially, the PB was little more than a set of practices promoted by civil society organizations that allowed citizens to play a role in shaping the annual capital budget. Each year, under the impetus of what is by all accounts one of the most sophisticated local civil societies in Brazil, the institutional infrastructure and design of PB evolved, expanding the scope and reach of participation and fine-tuning the procedures to ensure that participatory inputs were translated into budgetary outputs. Because of the success of PB in Porto Alegre and other cities, the PT gained a reputation as a party of good governance (which has since been badly tarnished at the national level). Over the past two decades, PB has been embraced by a wide range of local parties and has been extended to over 400 cities, including large metropolises such as Belo Horizonte and Sao Paulo.

In all three countries, concerted efforts to strengthen the developmental role of local government, and to do so through the introduction of participatory structures, were driven by a very similar configuration of historical forces: strong, left-of-centre programmatic parties and broad-based and vibrant civil society organizations with a long track record of promoting participation. In the wake of constitutional changes mandating stronger and more participatory local governments, new forms of citizen participation were introduced: integrated development plans in South Africa, participatory budgeting (as well as sectoral councils) in Brazil and local planning and budgeting in Kerala.

Yet despite shared historical circumstances and isomorphic institutional designs, the fate of participatory governance has varied dramatically across these three cases. As we shall see below, experiments with participatory governance have had lasting effects in Kerala and Brazil and have permanently transformed the democratic political field in quite different ways. This has clearly not been the case in South Africa. The experiment with participatory democracy in South Africa was short-lived. Just two years after the transition, the ANC government abandoned the redistributive thrust of the RDP and embraced a much more market-driven vision of development. Increasingly, the centre came to see the local state more as an instrument of delivery than a forum for participation. As many commentators have noted, over the past decade local government has become increasingly insulated and centralized (van Donk *et al.* 2008). In the name of efficiency and more rapid delivery, the ANC has managerialized decision-making processes and reduced the quality and scope of participatory processes created under the RDP. A wide range of participatory institutions including the Community Development Forums have been dismantled or hollowed-out, and municipal governance has been centralized into 'Unicity' structures that have entrenched a bureaucratic and corporatist vision of urban governance (Beall *et al.* 2002). The privatization or outsourcing of many government functions, including the preparation of IDPs, and increased reliance on consultants has virtually crowded out community structures. In sum, the local spaces in which citizens can practice democracy and exert some influence over South Africa's very ambitious project of local government transformation (namely deracializing the apartheid city and closing the service gap between whites and Africans) have been hollowed out.

Impact of decentralized participatory governance

PB in Brazil has been the object of a rich and diverse body of research (Abers 2000; Avritzer 2002 and 2009; Baiocchi 2005; Wampler 2007a). The most successful and carefully researched case of PB in Brazil has been Porto Alegre, which has become a model administration and a point of reference for other PB initiatives. The current format of citizen participation in Porto Alegre has evolved significantly from the original model of neighbourhood assemblies and a city-wide budget council of delegates from the neighbourhoods. Since the early 1990s, the structure of meetings throughout the city has become more complex, evolving

to include thematic forums where participants can debate city priorities that are not necessarily specific to one district or neighbourhood. Studies of other PB cities (Wampler 2007a; Avritzer 2009; Baiocchi *et al.* 2011) show that the general structure of the process is similar, involving a nested design of popular assemblies and elected delegates that directly shape the capital portion of the municipal budget. Key differences have to do with the extent to which delegates are bound by clearly defined priorities established by the popular assemblies and the extent to which the popular budget is binding.

There is robust evidence that PB has invigorated associational life. Extended case studies of Porto Alegre leave little doubt that citizen participation in the process is substantive, both in terms of its deliberative quality and its linkage to outcomes, but that it has also had a 'crowding in' effect on civil society. In Porto Alegre, Baiocchi (2005) found that women who participated in the PB formed new alliances and became active in other areas, including the policing of domestic violence. In a survey of 833 delegates from 11 PB cities, Wampler found that participatory institutions 'are rewarding group-oriented behaviour among individuals from lower socio-economic classes' (2007b: 59). One of the methodological problems with most studies of PB is that they have selected for the dependent variable, making it difficult to isolate the impact of PB from other variables. The observed success of PB could thus simply be a reflection of favourable preconditions, such as an active civil society.

A recent study I conducted with Gianpaolo Baiocchi and Marcelo Silva corrects for this problem by pairing four randomly sampled cities that adopted PB with cities of the same size, region and political configuration (as measured by PT support) that did not introduce PB in 1997 (Baiocchi *et al.* 2006 and 2011). The findings are telling. Tracking the budgetary process from 1997–2000, the paired analysis shows that measurable increases in the associational activity of civil society organizations and of their capacity to effectively engage government took place in all four of the PB cities, but remained constant (that is dominated by clientelistic ties) in the four non-PB cities. Introduction of PB made it possible for existing CSO's (civil society organizations) to abandon either clientelistic or 'combative' strategies in favour of direct rule-bound engagement through the PB process.⁷

The resulting forms of participatory governance ranged from *consultative participation* in which citizens were able to express their demands in an open and organized manner (that is, in dedicated forums) and which did influence decision making, to cases of *binding participation*

where citizens were directly involved in shaping the municipal budget. Even the least successful of the four PB cases, one in which activists complained that the PB forum was little more than a 'listening council', had the baseline effect of increasing the flow of information about municipal governance and subjecting what were once highly insulated and discretionary processes of decision-making to public scrutiny and even iterated bargaining.

The varying degrees of success in instituting participatory governance in this study did reflect the pre-existing strength of civil society organizations. The *municípios* (municipalities) where CSOs had enjoyed significant organizational strength and autonomy before the introduction of PB were the *municípios* where the introduction of PB had the most significant impact. This is not surprising, but what is extremely revealing is that in the two *municípios* where CSOs were weak to begin with (in that they were dependent on clientelistic ties) and where the budgeting process had traditionally been dominated by local elites, the introduction of PB did bring CSO demands directly into the budgeting process and weakened clientelistic practices. In these cases, weak civil societies became more active, but only under the tutelage of a reformist local state. There is one cautionary case. In one of the PB cities, the introduction of PB actually increased ruling party control over civil society. Civil society organizations that once enjoyed a high degree of autonomy (but no opportunities for engaging the state) compromised much of their self-organization in exchange for inclusion in the governance process. This underscores the importance of designing participatory processes that protect, and ideally promote, the organizational autonomy of CSO. It is notable that in the other three cases of PB, the state reformers we interviewed were acutely aware of this problem and went to great lengths to design participatory structures that would not undermine the autonomy or initiative of civil society.

Thus institutional reforms do matter. In the Brazilian context, PB emerged as a practical strategy of a broader movement towards participatory democracy. The reforms were born of civil society, and specifically the gestation of social movements with a long history, and were politically facilitated by the emergence of the PT. The broader context matters on two counts. First it generated the repertoires and norms of reform. That is, when local actors sought to build more participatory forms of government, they could draw from a wide range of experiences effectively diffused through dense social and political networks, supported by a range of formal and less formal NGOs and foundations. There is little doubt, however, that the PT provided the most

important mechanism of diffusion. The broader context also matters because of decentralization initiatives and constitutional provisions that encouraged participatory reforms.⁸

But as we have seen, the local context was critical to shaping outcomes. In each of our four PB adopters, the actual design of PB varied dramatically in both scope and mode of engagement. One *município*, João Monlevade, combines direct participation with a range of planning and coordination functions. Another, Gravataí, fashions a set of processes that are very direct and require little mediation, but which also made it much more difficult to coordinate at higher levels. And a third, Camaragibe, has built a system that goes beyond the budget to encompass administration. Its Participatory Administration resulted in a highly complex institutional design that combines forums with a range of coordinating institutions. The Camaragibe model requires a high degree of mediation, specifically in the form of powerful delegates who are often closer to the state than to their communities. These differences reflect pragmatic adaptations by PB architects to local realities, and in particular to the condition of local civil society. It is difficult to exaggerate the extent to which the implementation and impact of PB was in the most proximate sense an outgrowth of the commitment and innovation of these actors. In all three cases, participatory democracy was clearly bootstrapped. But that bootstrapping took place against a backdrop of normative and institutional repertoires developed by social movements, and within parameters defined by the local political ecology.

The Campaign structure in Kerala bears a clear resemblance to PB in Brazil. The process begins at the local level, where each of the state's 990 rural *panchayats* is granted 'untied' funds (between 29 and 35 per cent of total plan expenditures) and mandated to produce a local plan and to design and budget for specific projects across the full range of development sectors. *Panchayats* are required to develop their plans through a series of nested participatory exercises in which citizens are given a direct role in shaping policies and projects. This includes open general forums (*gram sabhas*) as well as elected task forces charged with developing projects. The final plan that emerges from this process then goes to the *panchayat* council (the local representative body) for final approval.

There is now a solid body of research on the impact of the Campaign. As one might anticipate, there has been significant variation in the degree to which local participatory governance structures have taken root in a state marked by enormous cultural and social heterogeneity. But there is little doubt that overall, the Campaign has promoted

more participatory forms of democracy and that the causal links parallel findings for PB in Brazil.

First, the Campaign has enabled a very significant devolution of authoritative decision-making powers. Survey research has found that in almost all *panchayats*, *gram sabhas* were held on a regular basis, task forces were constituted, development plans were created and beneficiaries' committees were set up (Heller *et al.* 2007). The quality of local plans varied significantly, and the process of integrating *panchayat* plans into higher-level plans was ad hoc at best. But given that local government development had long been the preserve of top-down, line-department bureaucracies implementing schemes hatched in Trivandrum (the state capital) or even New Delhi, the very fact that budgets and plans were being formulated at village level marks a dramatic departure from the past.

Second, the most decisive impact of the Campaign has been on the level and composition of participation. Data collected from all 990 *panchayats* for the first two years of the campaign shows that 10.3 per cent of the electorate participated in the first annual *gram sabhas* in 1996 and 10.6 per cent in 1997 (Chaudhuri and Heller 2003). The social composition of the Campaign, moreover, improved drastically in the second year. In the first year of the Campaign, Scheduled Caste and Scheduled Tribe (SC/ST)⁹ participation was well below average, but by the second year SC/STs were participating in greater proportions than non-SC/STs. Similarly, women's participation increased dramatically after the first year rising to 40 per cent of all participants in 1997–98.

Third, the Campaign's elaborate set of nested institutions has secured the chain of sovereignty and made citizen participation meaningful. In a large-scale survey of key respondents, 64 per cent reported that priorities expressed in the *gram sabhas* were 'always reflected' in the final plan. Similarly, task forces were also very effective: 80 per cent of respondents said that task force projects were 'almost always' or 'always' included in the final *panchayat* plan. As with the case of the three successful cases we documented in Brazil, there is clear evidence in most *panchayats* that the annual cycle of planning and budgeting falls squarely into the category of *binding participation*.

Fourth, an important effect of the Campaign was to draw in civil society. A whole new generation of younger activists and politicians came alive with the introduction of the Campaign. Over 100,000 volunteers participated in the original launch of the Campaign and over 14,000 local elected officials who had previously been limited to largely ceremonial roles were given meaningful functions. Local civil society

organizations that had no local state to engage with found a new partner in the *panchayats*. A number of local studies have explicitly tied the rapid rise in 'self-help groups' (generally formed by lower-caste women) to the matching funds made available by the campaign (Seema and Mukherjee 2000; Chathukulam and John 2002), and registration data collected from 72 sample *panchayats* shows a three-fold increase in the number of self-help groups during the campaign (Heller *et al.* 2007). There have been complaints, including some aired by KSSP leaders, that once the early and highly mobilized stage of the Campaign ended, the process became overly bureaucratic. Nevertheless, the marked increase in civil society activity, especially among women's groups, suggests that the Campaign has created new spaces for civil society.

The politics of decentralized participatory governance

When examined in the light of the Kerala and Brazilian experiences, the demise of participatory democracy in South Africa can only be explained in terms of the balance between political and civil society. In institutional terms, post-apartheid South Africa was well equipped to nurture participatory democracy. The constitution and relevant legislation provided legal support for participation and by the comparative standards of developing-world democracies, including Brazil and India, local governments, and especially the larger municipalities, enjoyed significant resources and administrative capacities. Civil society organizations initially appeared well placed to support participatory structures. The terms of the transition, however, produced a ruling party that not only enjoyed overwhelming electoral support (roughly two thirds of the vote in every national election) but also saw itself as the incarnation of transformative politics and as the sole legitimate heir of what the ANC calls the National Democratic Revolution. So even as the RDP reserved an important role for civil society in the transformative project of deracializing South Africa, the ANC viewed civil society's role as largely complementary to its own transformative agenda. As a truly hegemonic force, the ANC could in effect subsume civil society. This political logic, born of the broad and encompassing mandate that the transition conferred on the ANC, and to the quite extraordinary state capacities inherited from the apartheid regime, explains why structures and processes that were originally presented as providing autonomous spaces for civil society participation in local government (such as Community Development Forums and IDPs) were either quickly brought under the control of party structures or substituted with more technocratic

forms of decision-making. With little room to effectively exert a voice, township populations have increasingly resorted to contentious action including widespread 'services protests' that have become South Africa's most challenging political problem. Most tragically, in 2008, a wave of xenophobic violence swept through townships and informal settlements, and many commentators pointed directly to the absence of genuine processes of democratic engagement as the underlying cause (Misao *et al.* 2010).

In contrast, the political circumstances under which participatory democracy took root in Brazil and Kerala came against the backdrop of a crisis of political party systems and the traditional left's loss of faith in a top-down, command-and-control transformative state. Viewed against the case of South Africa, this equation proved much more favourable to bringing civil society in. In Brazil, PB was publicly presented as an alternative to the traditional local clientelistic state and as a means for dislodging oligarchic party control. In Kerala, the challenge was less public (supported as it was by a party in power), but the architects of the Campaign and its civil society progenitor, the KSSP, were determined to challenge the power of patronage politicians, and especially what is locally referred to as the 'bureaucrat-politician nexus of corruption.' In PB the challenge to politicians was frontal: the PB process was designed to operate in parallel to the official budgeting process and to circumvent elected councillors. In Kerala, the Campaign was designed to integrate locally elected *panchayat* officials, but to do so while carefully containing their discretionary powers through participatory structures.

Another point of contrast with South Africa's vision of participation (at least as shaped by the ANC) is that the PB and the Campaign both viewed institutional reform first and foremost as a means to providing new avenues of mobilization. Emphasis was less on promoting development and extending service delivery, and more on nurturing new forms of state-citizen engagement, specifically on changing the way in which choices about development are made. PB has been closely tied to the new discourses of active citizenship that grew directly out of the democracy movement. In the first wave of PB reform led by Porto Alegre, the goal was explicitly to use government as a vehicle for social movements, but in second-generation PB experiments, including the four cases discussed earlier, *municípios* were more concerned with 'the challenge of being government' and focused more on bringing civil society into governance (Baiocchi *et al.* 2011).

In Kerala, the political logic of the Campaign was succinctly summarized by a key Planning Board official: 'Politicians and bureaucrats want

PROOF

Patrick Heller 63

to hold onto power and the only way to dislodge them is through a social movement' (Heller 2005: 94). Moreover, the link between mobilization and development was made very clear. Making his case for democratic decentralization, especially with respect to Kerala's economic problems, the architect of the Campaign, T. M. Thomas Isaac, writes that:

Defending the public infrastructure in education, health and other sectors is no longer possible without improving the quality of their services. All these necessitate a reorientation of the mass movements towards direct intervention in the development process in order to improve productivity or improve the quality of services.

(Thomas Isaac and Franke 2002: 45)

A permanently mobilized civil society thus emerges as the primary goal of the Campaign and PB, and in stark contrast to the technocratic view embraced by the ANC, planning becomes 'an instrument of social mobilization' and specifically a means of re-engaging citizens in the process of public decision-making. This vision, it should be emphasized, directly contradicts the tradition of democratic centralism that the CPI(M) has long embraced, and has in fact been a source of continuous tension between the civil society factions of the party and its union base throughout the Campaign (Törnquist 1997). Yet in a critical respect there is continuity here with the social movements that led Kerala down the path of inclusive development in the first place. To some extent, the mobilizational capacity of these movements has atrophied with the institutionalization of the welfare state and party politics. The Campaign represents in this sense an effort to open up new spaces for citizen engagement, and in particular to move beyond first generation social rights that took the form of universal, but highly centralized, provisioning, to second generation social rights that are more focused on the quality of state services.

Even as we recognize that participation has been possible and consequential in some Brazilian *municípios*, Kerala, and other well-documented cases such as Ecuador (Van Cott 2008), and that it has in large part emerged from civil society and social movements, we must not slip into the voluntarism of the apolitical treatments of civil society. As Michael Watts has noted, 'the danger of conceiving of development as dialogue and negotiation – even if the powers of rights driven social movements are upheld and enforced – is that development's primary reality remains struggle, strife and conflict' (2000: 82).

To make full sense of successful cases one has to acknowledge the historical and political configuration that made them possible, and that specifically created a balance of power that was amenable to reform from below. Three key elements of a favourable 'ecology of actors' (Heller 2001; Evans 2002) for participatory democracy can be identified: reformist elements within the state that recognize the limits of traditional elite-driven developmentalism; civil societies that enjoy sufficient organizational capacity and operational autonomy to align with, but not be co-opted, by the local state; and a programmatic left-of-centre political party that can orchestrate the necessary political conditions for reform.¹⁰ Of course, such fortuitous alignments are not easy to come by. It is particularly important to bear in mind the power equations that often pit technocrats against activists, bureaucrats and politicians against civil society and institutional logics against mobilizational logics, all of which come into sharp focus in cases like South Africa. But we must also recognize that local government is often an arena where alliances across the state–society boundary can develop and produce synergistic outcomes (Evans 2002). Many of the government officials interviewed in Kerala and Brazil supported participatory reforms as a way to develop ties to partners in civil society. In contrast to the assumption in much of the democracy literature (as well as neoliberal views of governance) that participation and representation do not sit well together, instituted participatory democracy can produce cooperative arrangements between officials and civil society actors that strengthen both governance and democracy.

The case of South Africa is a sober reminder that even when civil society is highly mobilized and highly motivated, it nonetheless remains dependent on the institutional and political environment for finding effective modes of engagement with the state. Brazil and Kerala do however point towards some qualified claims about the conditions for successful participation. There has been enormous variation within each case. In Kerala, the Campaign had a much greater impact in rural areas than in municipalities, partly because political efforts were focused on *panchayats*. Even across Kerala's 990 panchayats, the level of participation varies enormously, and in statistical tests does not correlate with regional factors (which might act as a proxy for social capital) or any of a large number of stock variables (such as population, population density, economic measures and so forth) (Chaudhuri and Heller 2003). There is, however, a strong correlation between proxy measures of rural union organization that suggest a link with existing mobilizational capacity. A similar picture emerges in Brazil. As we have seen, in the study of

paired cities the pre-existing strength of civil society had a direct bearing on the degree to which PB reforms deepened democracy. The *município* in which civil society was strongest to begin with was the one in which the reforms had the greatest impact. Nevertheless, in two of our four cases, PB was successfully implemented in a context of relatively weak civil societies. When this is coupled with the findings from Kerala that rates of participation of subordinate groups increased rapidly after the first year of the Campaign, it becomes clear that participation is highly plastic and very much an artefact of politics, both in the sense of formal political opportunities that result from institutional changes (that in turn can follow from changes in ruling party) and social movement politics that can strengthen civil society capacities.¹¹

Possibilities for participatory governance

One of most common policy-world objections to decentralized participation is that poor communities do not have the capacity to engage directly in decision-making and that too much participation can be disruptive, time consuming and even lead to conflict. This *institutionalist* view flows from the same logic that informs the Schumpeterian argument for representative democracy in complex societies.¹² Governance problems are far too complex for ordinary citizens, thus the need to delegate decision-making to representatives, or in the high modernist (Scott 1998) version of this argument exemplified by the ANC, to technocrats and experts.¹³ The normative premise of participatory democracy directly rejects this view on the simple grounds that democracy is fundamentally about preference formation, and that claims about lack of capacity are often little more than polite ways of legitimizing the transfer of decision-making powers from citizens to elites. Of course, it is critical not to confuse (as the *participatistas* often do) a normative ideal with a practical set of processes. But the cases we have examined leave little doubt that even citizens with little more capacity than their own commitment to democratic engagement can effectively participate in local government.

Before PB was introduced in Brazil, local citizens had few if any channels through which to influence public action and no prior experience of planning or local development. Where some form of PB has been introduced, ordinary citizens have proven more than capable of forming their preferences, making city budgets and negotiating with local officials. Kerala does enjoy high literacy rates and a history of social

mobilization. But Keralites had virtually no experience with local government and had never been afforded an opportunity to shape local development. Opposition to the Campaign came from powerful vested interests, including the union wing of the CPI(M), which was wedded to a centralized regime of patronage and focused almost exclusively on claims that local actors did not have the required expertise to formulate plans. Yet when offered the opportunity that is precisely what local citizens did. This lesson holds even in cases where underlying conditions were far less propitious. Participatory reforms have also taken hold among communities that have long suffered from extreme forms of social exclusion, most notably in the case of Ecuador (Van Cott 2008), or have long been subordinated to highly authoritarian forms of control as in the case of Indonesia (Gibson and Woolcock 2008). In all these cases, the creation of institutional spaces for deliberation unleashed new forms of claim-making.

Having said this, creating spaces for local preference formation does pose enormous challenges. First, preference formation without a secure chain of sovereignty will inevitably lead to dashed expectations and delegitimation. There is arguably nothing more dangerous to the prospects of participatory democracy than participatory processes that are hollow. It is thus critical to ensure that participation is effectively linked to decision-making. In some cases the link can be direct, as in various forms of community participation in local development or by incorporating civil society organizations directly into the decision-making machinery.¹⁴ But in most cases of democratic decision-making, deliberation is not enough and must necessarily be followed by bargaining or voting. Institutionally, this means linking participatory forums or processes to the state through representative structures. This inevitably generates a tension between the allocative authority of representatives and of participatory processes, and thus calls for particularly ingenious institutional designs. Second, local-preference formation can also unleash parochialism, elevating local demands over broader demands, and can also make coordination of multiple inputs difficult, if not impossible. But this is precisely what the challenge of institution building is all about. In *Bootstrapping Democracy* (Baiocchi *et al.* 2011), one of our most interesting findings was the degree to which PB architects were preoccupied with addressing these challenges. In all the cases where a local version of PB was adopted, activists and administrators spent a tremendous amount of time and energy fine-tuning the process in order to preserve the chain of sovereignty. Bootstrapping democracy not only calls for finding the right mix of deliberative and aggregative processes,

but also for devising a range of innovative institutions to address basic problem of coordination between community priorities and city-wide functions. Much the same was the case in Kerala. The KSSP not only developed thousands of pages of campaign material to assist facilitators and participants in local planning exercises, including materials specifically targeted at women and *adivasis* ('Scheduled Tribes') but the state government also amended over a 100 pieces of legislation to bring new participatory structures into conformity with existing legislation.

Actually instituted forms of participation are necessarily the product of politics, including the dynamic interplay of civil and political society. But if there are no blueprints as such, it is possible to identify isomorphic traits in the basic normative orientations and core design features of participatory reforms. In all the well-documented cases, the animating discursive frames have presented a critique of representative democracy as subverted by power and social exclusion, emphasized generative projects predicated on notions of expanding citizenship in which political and civil rights are explicitly tied to the social and economic rights, and underlined the importance of bringing deliberation into the decision-making process.¹⁵ Common design features have included increasing direct involvement by citizens and CSOs in governance; the centrality of inclusive assemblies and various forums; mechanisms for linking forums to decision-making bodies; a range of direct accountability measures such as limiting the powers of delegates; procedures for increasing access to information and a range of incentives and facilitations that increase the probability of participation by subordinate groups. Yet for participatory democracy to take hold, a certain amount of bootstrapping is necessary. In Kerala, democratic decentralization was made possible by openings from above, but was born of experiments that were developed and elaborated upon through a continuous process of learning by doing. When the PT first came to power in Porto Alegre, it had only vague notions about how to govern in a participatory way, and turned to social movements for ideas on how to 'reverse the priorities' (Baicocchi 2005). It eventually drew on a combination of local inspiration, lessons from other cities and iterated experiments about what worked and what didn't. Similarly, the architects of PB in all of our cases drew directly from Porto Alegre and other cases, but also adapted local practices and institutions to fit local contexts. The parallel with Kerala here is quite striking. It was the CPI(M)'s electoral victory that opened up a space for democratic decentralization. But it was a close alliance between the reformist faction of the party and civil society actors that made it possible to push

through the reforms as part of a larger project of mobilizing participation. Indeed, if the Planning Board (the lead agency of the reforms) had not been able to tap into the mobilizational capacity, local experience and creativity of civil society organizations, and especially the KSSP, the Campaign would never have taken off. In the first two years of the Campaign, the interaction of the Planning Board and KSSP activists resulted in an almost constant process of institutional fine-tuning that most notably included new strategies for increasing subordinate group participation, on-the-fly responses to coordination problems and a constant preoccupation with protecting the participatory cycle from political interference.

These observations from Brazil and Kerala are further reinforced by Van Cott's (2008) detailed comparison of decentralization reforms in Bolivia and Ecuador. In Bolivia, decentralization was politically initiated from above with no input from civil society, and the reforms were implemented with relative uniformity across the country. While this did secure a considerable degree of fiscal devolution, it also limited the capacity of local actors to improvise local processes. Van Cott argues that this in turn undermined the participatory potential of the reforms. In comparison, decentralization in Ecuador was more piecemeal and less prescriptive, leaving local actors more room and incentive to innovate. In her case studies, Van Cott finds that where local mayors were highly committed and had strong ties to civil society organizations, institutional reforms were far more likely to emphasize participatory and deliberative processes. Finally, the case of South Africa emphatically drives home the dangers of promoting blueprints from above. Because it views itself as the only legitimate heir of the anti-apartheid movement, the ANC has for all intents and purposes become hostile to the idea of an independent civil society. This in turn has opened the path to a very high modernist and top-down vision of transformation, one that has shifted power from non-state actors to technocrats, patronage politicians and consultants. The power that flows from electoral dominance has in other words come directly at the expense of participatory democracy.

Conclusion: Social democracy and bringing civil society in

I have made the case that as a reform project, DPG can have transformative effects, specifically by strengthening effective citizenship. But what is the link between DPG and social democracy? By itself, DPG, or for that matter any increases in political equality through

greater participation, will not necessarily translate into more inclusive development. There is some evidence that making local government more participatory is linked to more redistributive outcomes.¹⁶ But even if DPG can underwrite local redistribution, it can hardly impact the larger processes through which national political economies are structured. There are, however, two respects in which strengthening the participatory nature of local governance can set the stage for a more inclusive developmental trajectory. First, strengthening local democracy opens new spaces for subordinate group mobilization. If the key to reconciling capitalism with social justice in the context of Northern Europe was bringing the working class in, in the Global South the key might well be bringing subordinate civil society in. Representative democracy in the global periphery has proven to be a weak instrument for securing redistributive gains largely because of failures of collective action. In the absence of programmatic parties, clientelism or populism have prevailed. Breaking this logic requires spaces in which subordinate groups can mobilize autonomously. More generally, given the thin form of accountability provided by electoral representation, an inclusive and vibrant civil society is critical to ensuring more binding, more pluralistic and more continuous mechanisms for holding representatives accountable (Chandhoke 2009: 33). Second, both the capacity and the accountability of the state in much of the developing world are routinely compromised by institutional failures, and most notably failures in the chain of sovereignty. Weak local institutions are not only ineffective, but also subject to elite capture. In this respect, the least spectacular but possibly most transformative effect of DPG is institutional thickening. Where carried out successfully, these reforms have created forms of local democratic governance where none existed before.

DPG is a highly ambitious reform project but one that has had surprising resonance across varied settings in the Global South. On the one hand, it consists of devolving significant resources downwards, a process that by definition constitutes a significant rescaling of the organization of public power. On the other, it requires intricate institutional designs that can ward off local elite capture and provide genuine and effective modes of engagement for subordinate groups. Despite these challenges, both Brazil and Kerala have made significant progress in instituting DPG. Even if the redistributive effects of these reforms are limited, simply opening up new possibilities of citizen engagement and thickening local democratic institutions represents an important step in

closing the gap between representative democracy and substantive outcomes. The case of South Africa reminds us, however, that getting the institutions right is not enough. The success of DPG depends in the final instance of getting the politics right, and specifically, of having a proper balance between political power and civil society.

Notes

1. Even if the first social reforms that are generally seen as the precursor to the modern welfare state were undertaken by Bismark, they were specifically intended to counter pressure from an increasingly vocal working class that was demanding democratization.
2. As Rothstein shows, local officials explicitly recognized that participation was critical to the legitimacy of local institutions and to their ability to serve the 'public interest', 'If representatives from these groups were drawn into the state, and were granted the possibility of wielding at least some real influence over the decisions, it was presumed they would change their attitudes' (1999: 145).
3. Thus even after nearly two decades of hyper-active growth, over 91 per cent of India's labour force is in what the government of India itself describes as the 'unorganized' sector, that is self-employed or working in small units and not covered by labour laws. Much of this sector continues to be organized along caste lines and union activity is limited.
4. This borrows from Fung and Wright's (2003) model of empowered participatory governance (EPG) but with the crucial difference that the cases I examine are all reform efforts to build democratic practices in spaces that were previously authoritarian.
5. The good governance literature falls squarely into the *institutionalist* camp. The social capital literature falls into the *participatista* camp. The more recent literature on participation often falls somewhere in the middle. Fung and Wright (2003) in developing their model of EPG try to marry both perspectives. They wish to empower community groups and see real gains from participation, but also emphasize that these gains depend on making governance more answerable to civil society inputs.
6. Even Habermas, the most influential and sophisticated exponent of deliberative democracy, falls into this trap. In his most recent direct contribution to the debate (1996) he explicitly argues that while civil society can problematize and mobilize around issues and exert influence over the political system through the public sphere, it should have no direct power over decision-making processes.
7. See also Wampler and Avritzer (2004) and Wampler (2007a) for similar findings from different cases.
8. For an extended discussion, see Chapter 6 in Baiocchi *et al.* (2011).
9. Schedule Caste is the bureaucratic designation for 'untouchables', now referred to as *dalits*. Scheduled Tribe is the bureaucratic designation for 'tribals', now referred to as *adivasis*.

10. Both Van Cott (2008) and Williams (2008) emphasize the role of political parties in promoting participatory democracy.
11. The concept of the plasticity of participation is more fully developed in Chaudhuri and Heller (2003).
12. For a more recent critique that also takes up the question of publics more directly, see Avritzer (2002).
13. In recent efforts to recentralize, South African officials have blamed the dramatic rise of so-called service delivery protests that have swept across urban South Africa on a surfeit of participation, a claim that is completely disingenuous given just how hollow formal participatory structures and practices have become.
14. Brazil's sectoral councils, in which civil society groups are given representation and have the power to directly shape specific local expenditures of federal allocations, are a good example of this (Avritzer 2009).
15. In the context of Andean countries, Van Cott notes that 'Andean indigenous movements over the past 25 years have developed a common ideology of intercultural, participatory, deliberative and transparent government that infuses indigenous parties' vision of governance' (2008: 13).
16. For Brazil, see Baiocchi *et al.* (2006) and Pires and Vaz (2011). For Kerala, see Heller *et al.* (2007) and Gibson (forthcoming).

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PROOF

4

Social Movements and the 'Pink Tide' Governments in Latin America: Transformation, Inclusion and Rejection

Benedicte Bull

Introduction

The last decade of the 20th century in Latin America was marked by two seemingly contradictory trends: on the one hand, the double transition from a partly state-led development model to neoliberalism and from authoritarian regimes to democracy, and on the other, increasingly vibrant social protests organized by diverse social movements. The latter included indigenous groups, environmental and feminist organizations as well as peasant and workers' unions and more. Some were new, some were old but rejuvenated, and some were new alliances between old groups. They were unified in their opposition to the neoliberal economic model that was being implemented across the continent in the 1980s, and against what were perceived as elitist democracies. From the late 1990s, Latin America experienced a region-wide wave of elections that brought left-of-centre governments with diverse ties to these social movements to power.

Remarkable political shifts began to take place across the region, the most emblematic of which include the victories of former shoeshine-boy, metal worker and union leader Luiz Inácio Lula da Silva, elected president of Brazil in 2002, and Aymara Indian and coca-grower unionist Evo Morales, elected president of Bolivia in 2005.

These shifts brought about some of the most interesting experiments in transformative politics in the history of Latin America. Moreover, poverty and inequality have been reduced and some of the new regimes have moved towards the establishment of welfare states (Riesco 2009).

However, the period has also been one of disappointments and strategic debates.

Protests have continued, with government responses ranging from negotiation and cooperation to co-optation and repression as well as attempts at delegitimizing social movements by questioning their representativeness and by associating them with external forces (Zibechi 2010). Thus, critiques of the new regimes for failing to initiate genuine transformation abound (Gallegos Díaz 2006; Webber 2010). At the same time, the loss of an obvious and common enemy in the form of the right-wing governments and their close ties to transnational capital has provoked splits within organizations and between formerly allied organizations over how to relate to the left-wing governments.

This experience differs significantly in comparison to what happened in Scandinavia in the period after World War II, when social movements led by radical labour organizations acquired and transformed state power to become a tool for societal transformation. The unification of different movements (including different factions of the labour movement, the peasant movement, the temperance movement and others) achieved prior to the deterioration of living standards in the 1930s was maintained during the crisis and the years after. An institutionalized system of mediation between labour, employees and employers was put in place in the mid-1930s and continued during the years of rapidly improving living standards in the post-World War II years. Comparing the experiences of Norway and Latin America, Bull (2007) argues that the inclusion of social movements in national development projects and democratic politics depends on three key factors: first, the degree to which the global political-economic context allows sufficient policy space to satisfy the demands of the social movements; second, the capacity of the state to manage social transformation; and third, the degree to which the strategies and internal structures of the organizations enable them to play a part in formal democracy.

These factors have shown to be of continued importance for understanding developments in Latin America as we move into the second decade of the new millennium. Two main features of the capacity of the state and the structure and strategy of the movements help us understand different developments in different parts of Latin America. The first is the nature and demands of the social movements. While conflict between old social movements and the state in Europe as well as Latin America centred principally on the distribution of economic and political resources, the most salient social conflicts in Latin America at present are not only concerned with the distribution of power and economic resources but equally with the control of natural resources as well as the

values, culture and worldviews on which their use is founded (Escobar 2011). The current struggles in Latin America can be partly interpreted as resistance to the continued processes of 'primitive accumulation', or 'accumulation by dispossession' as coined by David Harvey (2003). They are about protecting geographical areas and spheres of life from the penetration of capitalism. In contrast, the struggles of the old movements in Europe were about the distribution of resources and the creation and recuperation of spaces and institutions modifying capitalist principles within a capitalist society. The second key difference from the European post-World War II experience is that this occurs within a context of a history of clientelist state–society relations that threaten to subordinate any movement that intersects with the state. This has made many movements reluctant to participate in formal politics and policy making. As a result, many of the most interesting transformative processes are currently found outside the realm of the state, and in a tense relation to it.

This chapter is divided into four sections. In the first section I revisit and expand the framework developed in the 2007 article, and in the second, I discuss the context of the rise of the new social movements in Latin America, as well as the left-of-centre governments. In the third section I examine the relationship between some of the most important social movements in Latin America and the centre-left governments. I conclude with a discussion on the role of the key variables outlined in the first section, namely the conflicts over modernization, autonomy and use of natural resources and the clientelist states.

Incorporation versus transformation: Dilemmas of social movement–state relations

The transformations of Scandinavia post-World War II were considered to be equally remarkable as the recent transitions in Latin America. In Scandinavia, neocorporatist arrangements ensured a transformation of the form of democratic participation that in turn shaped social movements in crucial ways (Bull 2006, 2007). More specifically, the participation of labour and other social movements was institutionalized through different forms of intermediary mechanisms that contributed to a steep decline in inequality and gradually improved living conditions. It also provided institutional incentives (including funding) for the continuation of social organization within a variety of diverse groups. The extension of welfare benefits and other social goods to new groups depended largely on the pressure exerted on the state by organizations that emerged partly at the state's encouragement. All of

this occurred within the context of the international 'embedded liberalism compromise' that allowed for measures to protect domestic groups against the perils of global capitalism (Ruggie 1997). However, while this 'outcome' was viewed as a victory for the social movements at the time, and it laid the ground for comparatively egalitarian and peaceful societies, a similar outcome would not necessarily fulfil the aspirations of social movements in present-day Latin America that seek a more multidimensional transformation.

This is in part due to the fact that several of the current social movements pursue a multidimensional agenda, a feature they share with the so-called new social movements (NSMs) of Europe, including environmental organizations, feminist groups and others, often linked to the emergence of post-materialist values. The NSMs differ from the old social movements in that they reject the pursuit of material welfare and technological development of the productive forces as sources of emancipation. Rather it is considered a factor of 'regulation' that is to be contested (Sousa Santos 2001: 178). This has led to the end of the subordination of diverse social movements to the interests and strategies of the labour movement.

However, while the NSMs in Latin America are also largely independent of political parties and the labour movement, there are at least two important factors that distinguish them from European NSMs. First, while students of European social movements frequently characterized them by focusing on their form, method and source of legitimacy (Tilly 2004) or by their confrontation with the existing order through non-institutionalized means (Dalton and Kuechler 1990), Latin American social movements are identified by being situated in a historical movement of resistance against global capitalism and the state as an instrument of repression of local peoples, both of which were brought to Latin America by different colonial forces. As argued by Parra:

In general terms, we understand by social movements the conjunction of struggles occurring in a determined period and space raised against capitalism and in favor of a world which functions in a more just, more human, and more solidary manner.

(Parra 2005: 73)

Thus Latin American social movements are about the constitution of a political subject able to counter centuries-old colonial elite domination, which throughout history has caused the dispossession of marginalized groups from land and economic opportunities.

Second, Latin American NSMs can hardly be called 'post-materialist' as much of their struggle is about satisfying basic needs. Many of the movements are based in marginalized sectors with immediate needs to fulfil, which influences their priorities as well as their methods. For example, the environmental concerns many of these movements have has little to do with post-materialism and is instead connected to centuries of resistance to the double exploitation of nature and people they experience under the forces of global capitalism (Alimonda 2011). According to Zibechi, current social movements have their roots in three main ideological currents: Christian-base communities linked to liberation theology; indigenous insurgents with a non-western *cosmovision*; and militant revolutionary *guevarism* (Zibechi 2003). This testifies to the fact that NSMs in Latin America share features with both the 'old' and the 'new' social movements as the term is used in the European context, while also displaying features that are quite particular to Latin America. For this reason they have also had the ability to form broad alliances that encompass movements that reject modernization and industrialization as means towards improving their lives and have contributed to the establishment of alternative visions of development, such as those of *el buen vivir* (the good life) emphasizing community values and living in harmony with nature (Gudynas 2011), as well as groups that advocate a development model based on growth and industrialization.

An alliance between groups that advocate a post-capitalist model and states that have evolved through centuries of supporting capitalism is by necessity difficult. Entering into institutionalized relations with social movements that have the capacity to transform politics and economics is further complicated by a culture of clientelism that dominates in many countries where the receipt of governmental benefits or being given a seat at the decision-making table is often dependent on political loyalties. Clientelism has historically been accompanied by co-optation or 'incorporation': the process of integrating emerging classes into the polity in a subordinate position vis-à-vis existing elites. This was a common response in the attempt to control and depoliticize organized labour (Collier and Collier 1991), undermining its attempts at transformation of the political system and the development model that it regulated.

Consequently, there is recognition among social movements in Latin America of the need to maintain a degree of autonomy from political parties as well as the state, and that priority should be given to 'the transformation of political society' (Costilla 2007: 2), based on the argument formulated by Peruvian sociologist Aníbal Quijano, namely

that democratic capitalism may be little more than ‘the pact in which the subaltern classes give up revolution in exchange for negotiating the conditions of their own exploitation’ (Quijano, cited in Borón 2006: 2). However, others argue that social movements must inevitably relate to political power, and much of that power is enshrined in the state (Borón 2001). Thus, relations to the state continue to pose serious dilemmas and contradictions, and it is currently argued that the relationships between social movements and political parties in Latin America range from articulation (social movements articulate and promote the ideas of the programme of a political party within its movement) to permeability (social movements penetrate the political party in order to orient it towards their own cause), alliances (social movements form alliances with political parties), independence (they have little to do with political parties) and transformation (social movements transform into political parties) (Somuano Ventura 2007).

The context of the rise of new social movements in Latin America

The immediate context of the rise of the NSMs in Latin America was the double transition to formal democracy and neoliberalism that occurred in most countries between the mid-1980s and the turn of the century (Mainwaring and Pérez-Liñan 2005). During the neoliberal transformation process, state-owned companies, service institutions and land were privatized; trade tariffs were lowered unilaterally, bilaterally and regionally and as a part of global agreements; and subsidies and price regulations were eliminated. Simultaneously, corporatist ties between the state and society were either weakened or eliminated, transforming what Yashar (2005) calls a ‘citizenship regime’ from a corporatist-authoritarian one towards a neoliberal one, wherein the expansion of political and civil rights coincided with a decline in social rights and the promotion of liberal or pluralist modes of interest mediation (Yashar 1999: 80). This transformation went hand in hand with the weakening of organized labour and peasant unions, whose strength had already been hit hard by the repression and persecution of authoritarian regimes. Parallel to this, electoral democracies were (re-)established after decades of authoritarian rule.

After initial celebration, critics soon railed against the failure of the new democracies to effect genuine distribution of power with sufficient institutional checks and balances, to represent different societal groups effectively and to act as a motor for the redistribution of resources (e.g. O’Donnell 1994, Mainwaring and Pérez-Liñan 2005). The continuation

Table 4.1 The third-wave democracies in Latin America

Country	Year of (re-) introduction of democracy	No. of previous years of authoritarian rule
Argentina	1983	6
Bolivia	1982	17
Brazil	1985	20
Chile	1990	17
Colombia	1957	8
Costa Rica	1919	2
Cuba	–	
Dominican Republic	1978	4
Ecuador	1979	8
El Salvador	1992	19
Guatemala	1986	32
Honduras	1982	18
Mexico	1988	
Nicaragua	1984	38
Panama	1990	21
Paraguay	1989	34
Peru	1980	11
Uruguay	1995	11
Venezuela	1957	9

Source: Mainwaring and Pérez Liñan (2005).

and deepening of neoliberal reforms in contradiction to the promises made during election campaigns in particular contributed to widespread disappointment with the way the democracies in the region functioned in the 1990s (Table 4.1).

It is in this context that the NSMs emerged, in some places as immediate social responses to worsening living conditions and specific episodes of violence and repression, and in others as restructured versions of the old movements fighting for the right to land, civil and political rights, decent living conditions, and in the case of the indigenous movements, for the right to lead a life in accordance with indigenous culture and worldview. The force of the indigenous movements was boosted by new regional alliances that were formed *in lieu* of the mobilizations related to the 1992 commemoration of the conquest of the Americas (Van Cott 2007).

The weakness of the political institutions of the ‘third wave democracies’ in combination with widespread social protest contributed to a period of significant social and political unrest, particularly in the Andean region. Between 1992 and 2005, 11 presidents had their terms in

Table 4.2 Latin America: Interrupted presidential periods (1992–2005)

Country	Date	Ousted president
Brazil	September 1992	Fernando Collor de Mello
Guatemala	May 1993	Jorge Serrano Elias
Venezuela	August 1993	Carlos Andrés Pérez
Ecuador	February 1997	Abdalá Bucarám
Paraguay	March 1999	Raúl Cubas Grau
Ecuador	January 2000	Jamil Mahuad
Peru	November 2000	Alberto Fujimori
Argentina	December 2001	Fernando de la Rúa
Bolivia	October 2003	Gonzalo Sánchez Lozada
Bolivia	March 2005	Carlo Mesa
Ecuador	April 2005	Lucio Gutierrez

Source: Rojas Aravena (2009).

office cut short due to popular outcry, coups or impeachment processes, 7 of whom were from Andean countries (see Table 4.2). In the aftermath, a wave of left-of-centre governments were elected and re-elected across the region, several of which were closely connected with social movements.

Although the distinction between left and right is problematic in Latin America, it is nevertheless the case that left-of-centre candidates triumphed in 23 presidential elections between 1998 and 2011. Some countries found themselves bucking this trend, including Colombia and Mexico, but only one case, Chile in 2010, saw the return of a right-wing president following a stable left-wing government (Table 4.3).

The new regimes took power in a gradually changing political and economic context. When Hugo Chavez took power in 1999, a US-led neoliberal project dominated in the region. There were ongoing regional negotiations for a US-initiated Free Trade Area of the Americas (FTAA), which aimed to include the entire region in an institutional framework promoting investment and free flow of goods. Ecuador and El Salvador were in the process of abandoning their national currencies for the dollar and 60 per cent of all Latin American exports were destined for the United States. However, partly due to regional actors' own international strategies and partly due to changing global circumstances, this picture changed over the following decade. Plans for the FTAA were shelved and a new institutional framework for Latin America-led regional cooperation was gradually put in place. The combination of the economic crisis in the United States, the rise of China's seemingly insatiable demand for markets for its industrial products and sources of raw materials for its

Table 4.3 The pink tide in Latin America

From	Country	President
1999	Venezuela	Hugo Chávez
2000	Chile	Ricardo Lagos
2001	Venezuela	Hugo Chavéz
2003	Brazil	Luiz Inácio Lula do Silva
2003	Argentina	Nestor Kirschner
2005	Uruguay	Tabaré Vázquez
2006	Bolivia	Evo Morales
2006	Chile	Michelle Bachelet
2006	Honduras	Manuel Zelaya
2007	Brazil	Luiz Inácio Lula da Silva
2007	Ecuador	Rafael Correa
2007	Nicaragua	Daniel Ortega
2007	Venezuela	Hugo Chávez
2007	Argentina	Christina Fernández
2008	Paraguay	Fernando Lugo
2009	Bolivia	Evo Morales
2009	El Salvador	Mauricio Funes
2010	Uruguay	José Mujica
2011	Brazil	Dilma Rouseff
2011	Peru	Ollanta Humala
2011	Argentina	Christina Fernández
2011	Nicaragua	Daniel Ortega

Source: Various.

industry, and the development of regional economic institutions shifted the geographical orientation as well as ideological underpinning of foreign economic relations of Latin American countries (Bull 2010; Bull and Kasahara 2011).

This external context gave many of the ‘new regimes’ a dual advantage when aiming to satisfy the demands of their constituents while seeking a post-neoliberal development model. First, booming commodity prices and increased demand for raw materials (oil, gas, minerals, soy, palm oil) enabled the largely commodity-dependent countries, particularly in South America, to consolidate economic growth and to fill the state coffers. Second, the diversification of economic ties and the increased importance of regional institutions and relations broadened the ‘policy space’ for directing social and economic policy in line with the demands of their constituents. While it is impossible to come up with a mutually applicable description of the economic models that emerged in the different countries, they all introduced elements of

a mixed economy in which the state takes more responsibility for financing, regulating and facilitating capitalism. The hydrocarbons sector has been subject to different reforms in different countries aiming to increase revenue while also enabling the state to play a more active role as owner and regulator. In addition, other elements similar to post-World War II European Keynesianism and mixed economies have been introduced in several countries, including capital controls and the expansion of government-financed infrastructure and industrial projects backed by an increasingly strong regional financial infrastructure aimed at reducing the historically heavy influence of the International Monetary Fund (IMF) and the World Bank. This mixed economy has been complemented by an extension of social programmes aimed at improving the distribution of income (Table 4.4).

Table 4.4 Poverty reduction and economic growth in selected Latin America countries

Country	Percentage of population living on less than USD 2 per day				GDP growth (per cent)	
	Year(*)	Per cent	Year(*)	Per cent	2003–2007	2010
Argentina	2002	45.4	2006	21.0	8.8	9.2
Bolivia	1999	60.4	2007	54.0	4.5	4.1
Brazil	2001	37.5	2009	24.9	4.6	7.5
Chile	2000	20.2	2009	11.6	5.2	5.2
Colombia	1999	54.9	2010	44.3	6.2	4.3
Costa Rica	1999	20.3	2009	18.5	6.6	4.2
Ecuador	2002	49.0	2010	39.8	5.1	3.6
El Salvador	2001	48.9	2010	46.6	3.5	1.4
Guatemala	2002	60.2	2006	54.8	4.4	2.8
Honduras	1999	79.7	2010	67.4	6.2	2.8
Mexico	2000	41.4	2010	36.3	3.8	5.6
Nicaragua	2001	69.4	2005	61.9	4.3	4.5
Panama	2002	36.9	2010	25.8	8.7	7.6
Paraguay	2001	59.7	2010	54.8	4.5	15.0
Peru	2001	54.7	2010	31.3	7.0	8.8
Uruguay	2002	15.4	2010	8.4	8.2	8.5
Venezuela	2002	48.6	2010	27.8	11.8	–1.5
Latin America	ca. 1999	43.8	ca. 2010	26.0	4.2	6

*Latin American countries do not conduct household surveys on which the numbers here are based on every year. Thus, the years referred to differ between different countries. The average for Latin America is based on estimates made by the Economic Commission for Latin America.

Source: Author's elaboration based on CEPAL (2009, 2011).

The result was significant economic growth and reduction in poverty across the region. In this context, several of the 'leftist' presidents gained incredible popularity among their electorate and were easily re-elected where that was permitted. For example, President Lula of Brazil left office after two presidential periods with an 87 per cent approval rating, President Bachelet of Chile had an 84 per cent approval rating when she left office and Cristina Fernández de Kirchner in Argentina won a landslide re-election in 2011, winning 37.5 per cent more of the vote than her nearest rival.

While there have been short-term successes in terms of poverty reduction, economic growth and ensuring the popularity of the government, the intensity of resource extraction upon which the model is based has had a detrimental impact on the environment (Gudynas 2010), one of the causes of friction between the government and the social movements calling for a different development model and respect for the priorities of locally based groups. In the following section, I discuss, first, the role of social movements in bringing the centre-left governments to power, and subsequently how their relations developed thereafter.

The 'new social movements' in Latin America and the pink-wave governments

Bringing governments to power

Social movements have played widely different roles in bringing the pink-tide governments to power, dependent in part on the different strategies they pursued as well as the different political contexts in which they have emerged. While agreeing with Anibal Quijano that one should not only focus on the organized social movements but also on the opinions and actions of less organized groups, the discussion below is limited to the former, and in particular on a group of broad, influential movements. However, it should of course be acknowledged that these do not reflect the entire spectrum of social movements in Latin America

Mexico

The Zapatista Army of National Liberation (EZNL) is the movement that has gone furthest in rejecting formal interaction with the state. While attracting world attention when it issued the 'First Declaration of the Lacandon Jungle' and launched an armed uprising against the Mexican state on the day the North-American Free Trade Area (NAFTA) came into effect (1 January 1994), the Zapatistas have their roots in the

indigenous communities, peasant groups influenced by Maoist thinking that opposed the hegemonic Institutional Revolutionary Party (PRI) that had maintained power in Mexico since 1929 and Christian-base communities organized by liberation theology catechists. These differing traditions have influenced Zapatista ideology, which is based on self-determination, autonomy and radical democracy. In turn, the Zapatistas have inspired ideas of constructing a counter power and ‘changing the world without taking power’ by focusing on constructing alternative ways of living and governance (Holloway 2002). However, their rejection of engagement in formal politics is not only due to their ideological platform but also because of the repression and violence perpetrated against them by the Mexican state. After one attempt at dialogue and negotiation, the Zapatistas have avoided major interaction with the government since 2001, opting instead to engage in transforming politics from below by constructing a ‘radical democracy’ and establishing administrative structures, implementing projects to increase the production of goods and services, and providing social services at local and regional levels while rejecting governmental assistance out of fear of co-optation (Stahler-Sholk 2010). In the context of the 2005–06 election campaign in which left-wing Andrés Manuel López Obrador stood against the conservative PAN (Partido Acción Nacional) candidate Felipe Calderón, instead of taking sides, the Zapatistas announced the Sixth Declaration of the Lacandon Jungle calling for a nationwide alliance with different social movements (now called ‘the Other Campaign’) to work for the re-establishment of the Mexican political system through the creation of a new constitution.

Argentina

The Argentinean *piqueteros*, or the movement of the unemployed, have also had an ambivalent relationship with the state and formal political parties. The *piqueteros* came to international attention as one of the groups that took to the streets in 2001 to protest against the escalating economic crisis and the freezing of bank accounts, calling for the entire political class to stand down (*‘¡Que se vayan todos!’* – all must go). Several issue-specific and temporal movements that had emerged as a response to the immediate crisis took part in these demonstrations as did some of the more permanent ones, including the *piqueteros*.

The popularity of the *piqueteros* surged on the back of the steep rise in unemployment, particularly among industrial workers in the 1990s (Grimson 2006), and changes in state–society relations introduced by the neoliberal model. The latter was expressed, first, in the crisis of

the peronist problem-solving networks based on block leaders (*punteros*) in neighbourhoods that had provided lower-class residents with access to the state (Levitsky 2005: 77) and, second, in the weakening of the peronist-affiliated unions. In 2000–03, the dispersed social protests organized by the *piqueteros*, mainly through street blockades, evolved into nationwide protests and with it the *piqueteros* movement became a ‘mega social actor’ (Masseti 2006). They continued to organize as ‘networks of neighbourhood networks’ rather than as a hierarchical organization, although as early as 2001 there were splits within the movement. While one faction argued for independence from party politics, another faction supported small left-wing parties and a third maintained links with the dominant peronist party. The options favoured by the majority of *piquetero* leaders in the 2003 elections, to support the small group of Marxist parties or to abstain from voting, failed as the Marxist parties achieved only 1 per cent of the votes whereas voter turnout was over 70 per cent (Petras and Veltmeyer 2005). The election provided a landslide victory for the candidate from the left-wing of the previously dominant peronist party, Nestor Kirchner.

Ecuador

In the case of Ecuador, the largest social movement there has also had a highly ambiguous relationship with the state and political parties. The Confederation of Indigenous Nationalities of Ecuador (CONAIE) has long been considered to be Latin America’s strongest indigenous movement. Founded in 1986 at a convention of some 500 indigenous representatives, CONAIE exploded onto the national scene in 1990 with the occupation of the Santo Domingo church in downtown Quito and the blocking of the Pan-American Highway, as well as engaging in land occupations across the country (Jameson 2010). They presented the government with a number of demands, including the establishment of a plurinational state, the return of land and legalization of indigenous territories.

During the 1990s, CONAIE was included in the formulation and implementation of various governmental programmes, subsequently establishing a political party, Pachakutik, in 1996. In the years to follow, CONAIE and the Pachakutik became a major political force in Ecuador through protests as well as negotiations with the government, actively participating in the overthrow of Abdala Bucarám in 1997 and Jamil Mahuad in 2000. In the 2002 elections, they entered into an alliance with the interim president Lucio Gutierrez who was running for office on an anti-neoliberal platform. However, he soon broke his

electoral promise by supporting the establishment of a with the United States. While initially accepting this stance, the two representatives of the Pachakutik in the Gutierrez government eventually resigned and CONAIE withdrew its support from the government. This was a painful experience for CONAIE and Pachakutik, and when leftist Rafael Correa, standing on a nationalist, anti-capitalist platform of social reform and a plurinational state, won the elections in 2006, the Pachakutik refused to enter into an alliance in spite of obvious policy coincidences. Correa's call for a constituent assembly echoed the demands of the indigenous movements and earned him major support in many indigenous areas, although not within the CONAIE or Pachakutik leadership (Jameson 2010). Thus, although CONAIE and Pachakutik were never officially involved in bringing Correa to power, one could argue that the long-term work that CONAIE had done in raising awareness and defining an agenda for transformation into a plurinational state was instrumental in Correa's electoral success.

Brazil

In the following two cases, the social movements have had a much clearer role in bringing leftist governments to power. The first is the Landless Workers Movement (*Movimento Sem Terra* (MST)) in Brazil, which is generally assumed to be the largest national peasants' movement in the world. The MST emerged as a response to extreme inequality in the distribution of land in Brazil, and the worsening situation for rural casual labourers during the first part of the Brazilian military regime (1964–84) (Almeida and Sánchez 2000). Established formally in 1984, it was also inspired by the Catholic Church's liberation theology and supported by the Pastoral Committee on Land and Christian-base communities. The MST's main demand is agrarian reform, and its main method of protest has been land occupation through which it has attempted to put pressure on executive parts of federal and state governments to expropriate and redistribute privately held land. The MST establishes communities of families on idle land that set up a productive structure, including democratic governance institutions, and the provision of health and educational services (Stédile 2002). From the 1990s, the agenda was broadened to include a wide range of demands to counter national and global capitalist expansion and neoliberal policies. The MST has thus also allied itself with urban social movements, thus increasingly bridging the gap between the 'old' and 'new' social movements. From the start, the MST has had a strategy of 'anti-formalism', implying a rejection of direct involvement in party

politics. Nevertheless, particularly during the first decade of its existence, it established close ties with the Brazilian Workers Party (*Partido dos Trabalhadores* (PT)) (Houtzager 2005). Thus, the MST supported the PT's presidential candidate, Luiz Inácio Lula da Silva, in the 2002 elections just as it had done on the two previous occasions when he had also run for president. The MST even promised to refrain from new land occupations during the election campaign so not to scare middle-class voters away from Lula (Soumuano Ventura 2007), and immediately after the elections, the MST published a public communiqué in which it expressed its satisfaction with the election of Lula while repeating their demands for land reform and other necessary social reforms.

Bolivia

The Bolivian coca growers (*cocalero*) movement is without doubt the movement that has gone furthest with its involvement in formal politics, and it has succeeded in electing one of its leaders to presidential office. The *cocaleros* have their origins in the Chapare region that received a flow of migrants in the 1980s, including rural Quechuas from the Cochabamba valley region, Aymaras from the highland and other indigenous peoples and urban poor, in order to exploit the coca boom and the availability of land fit for coca production (Sanabria 1993). Among the migrants were miners from rural highland communities who had lost their jobs due to the closure of state mines, many of whom had a past of radical militancy in the miners' unions and the Bolivian Workers Central (COB) (Yashar 2005). The main focus of the struggle of the *cocaleros* was first to defend the right to produce coca in the face of increasingly repressive US-backed governmental plans to eradicate it (Orias Arredondo 1995). However, the *cocaleros* soon broadened their agenda to include the struggle against neoliberal economic policies and the elite-dominated state. Thus while organizing in Chapare, the *cocaleros* have played a key role in organizing nationwide mass protests with large-scale demonstrations and road blocks and were instrumental in the overthrow of Gonzalo Sánchez de Lozada in 2003 and Carlos Mesa in 2005.

The indigenous/labour movement in Bolivia has established two political parties. In 1998, Evo Morales and his faction of peasant/indigenous leaders established the Movement for Socialism (*Movimiento al Socialismo* (MAS)) as a political party, with the intention of maintaining a different structure and *modus operandi* than a regular political party. Two years later, competing Aymara leader Felipe Quispe founded the Pachakuti Indigenous Movement (*Movimiento Indígena*

Pachakuti), a party that has shifted between alliances and competition with MAS. MAS gradually gained seats in congress as well as at the local level before finally, in December 2005, Morales was elected President of Bolivia.

This success was rooted in years of struggle and the conscious building of alliances. Also important was the management of differences between the labour unions that fought against the exploitation of the capitalist system in which they were already a part and the indigenous groups and broad urban movements that fought against two different expressions of accumulation by dispossession: the privatization of gas and water transforming public property to private, and the expansion of capitalist relations into the spheres of indigenous communities.

Relations with the new regimes

While the processes of bringing new governments to power were riddled with difficult strategic challenges and a number of splits within the social movements, the process of relating to the new regimes once in power has proven to be even more difficult. In virtually every country, the period of left-wing government has provoked splits in the social movements. The social movements were confronted with the challenge of avoiding being co-opted and thus renouncing not only their autonomy but also many of their political demands, without playing into the hands of right-wing opponents. This proved difficult for many reasons, but differences over how to relate to the state and between movements that sought redistribution within a capitalist system and those that sought thorough transformation of the productive and administrative system once again become salient.

Argentina

In Argentina, after the election of peronist Nestor Kirchner in 2003, further fragmentation of the *piquetero* movement occurred, principally between the openly pro-Kirchner *piqueteros* and those that continued to mobilize against the government. After the consolidation of the *kirchnerismo* with the first and second government of Nestor Kirchner's wife, Cristina Fernández de Kirchner, the ties between the peronist government and the *piqueteros* became closer, particularly related to the implementation of social programmes. By the late 1990s, programmes had been established whereby monthly cash transfers from the government were made in return for some form of public work (*contraprestación*). Initially the work was done for municipalities, but later the government entered into agreements that the 'compensation work'

could be done for different forms of social organizations, including the *piqueteros*. Under Kirchner, the plans were extended and formalized with the introduction of the *Plan Jefes* and *Jefas de Hogar* in which the *piqueteros* participated (Roberts and Portes 2005). Under Fernández de Kirchner, a new extensive set of social programmes has been established, including the 'Universal Assignment per child (AUH)', and 'Argentina Works', a programme aimed at getting the unemployed back into work, and local peronist networks have been re-established (Levitsky 2005: 86). Some view this as an absolute co-optation of the *piqueteros* (Zibechi 2010). Others argue that the *piqueteros* have contributed to recreating social relations at community level while engaging with the state for the distribution of social benefits (Dinerstein 2010: 366). One could argue that for its part, the government has opened up spaces for community organizing in the midst of a capitalist economy, as well as a significant redistribution of resources, and that the *piqueteros* have responded with consent partly due to the fact that they were never really unified around a programme of a more thorough transformation of capitalism.

Brazil

The MST in Brazil has also been split over its loyalty to a government that has a disappointing record on agrarian reform. Upon winning the presidential elections in 2002, Lula set out to draft the second National Plan for Agrarian Reform (PNRA) with the stated aim of settling one million families over four years. In addition, the PNRA included a set of agricultural credit and infrastructural policies meant to ensure the success and sustainability of the plan. However, Lula did not fulfil his promises regarding land redistribution. The government scaled back the PNRA, and progress was slower than first assumed (Karriem 2006). Moreover, it did little to reduce the incidences of the removal of families from occupied land, which according to the Pastoral Land Commission, increased from 9077 to 12,388 between 2008 and 2009, accompanied by an increase in the murder of peasants from 44 to 62 (Tavares 2011). Instead, it focused on improving the conditions of the already settled families, in addition to improving general living conditions of the rural poor through social programmes such as Zero Hunger and *Bolsa Família*. It also established credit lines and programmes for capacity building in the established settlements in order to facilitate their access to markets (Pinassi 2011). Moreover, it extended close ties to the MST leadership. Thus, by the end of the Lula administration, there was a split within the MST: between the leadership that supported the government and gave its explicit support to Lula's preferred candidate to

succeed him, Dilma Rouseff, and the rural poor and the families in camps that had not been prioritized by the government programmes. As a result, although the number of new land occupations dropped to about a third compared to the period before Lula came to power (Tavares 2011), mobilizations continued through marches, land occupations and public demonstrations. The Lula administration's expansive agricultural policy required large-scale programmes in order to increase agricultural productivity as a means of sustaining economic growth, to which newly settled families on occupied land contributed little, and which in turn led to a slowing down of the land reform programme. Thus, in many ways, the Lula administration's support of the MST was conditioned on its willingness to play by the capitalist rules.

Ecuador

The situation in Ecuador is even more complex. The Correa presidency initiated with what was viewed as a great victory for CONAIE and a major step towards the transformation of the Ecuadorean state: the establishment of a constitutional assembly and the subsequent adoption of a new constitution. In many ways these transformations reflected CONAIE's proposals, in particular the call for a plurinational state. The new Ecuadorian constitution was the only one in the world that accorded rights to nature in line with the indigenous view of the 'good life' (*sumac kawsay*), including recognition of *Pachamama*, the Earth Mother deity. With such a strong basis in the constitution, CONAIE declared itself 'the Government of the nationalities and indigenous peoples of Ecuador' and made support for Pachakutik and the Correa government conditional on the compatibility of government policies and initiatives to the CONAIE programme (Jameson 2010).

In practice, this has meant that it has opposed and protested against a number of legislative and development projects aimed at expanding the Ecuadorean extractive economy. Protests have been directed against Correa's plans for strengthening a post-petroleum economy in particular, a plan that has included the acceleration of projects to exploit Ecuador's mineral resources (Andrade 2011). The passing of the new Mining Law in January 2009 triggered a series of protests across the country, including the leaders of CONAIE. The reaction of Correa was to call them 'childish', 'nobodies' and 'allies of the right'.

Subsequently, the government revoked the legal status of one environmental group, while shutting down an indigenous organization (Dosh and Kligerman 2009). Thus, there are serious doubts about the Correa government's genuine desire to transform Ecuador into

a plurinational state that has respect for nature. As argued by Bowen, 'President Correa's approach to confronting indigenous protest remains within the bounds of a multicultural market democracy [ensuring] that more radically egalitarian demands and political strategies are excluded from the political and economic agenda' (2011: 481–482).

Bolivia

In the case of Bolivia, difficulties have also abounded. A few months after Morales was elected he convened a Constituent Assembly, one of the original demands of the lowland indigenous-peasant organizations. While this responded to concerns of the indigenous groups, it was also the first sign of MAS's move to centralize power. MAS won 137 out of 255 seats in the Constituent Assembly, with most of the elected members coming from the party's founding organizations, the *cocaleros* and the United Peasants Union of Bolivia (CSUTCB). The lowland indigenous organizations had far fewer representatives, and subsequent assembly activity reflected the differences between these two groups in which MAS's focus on national politics trumped the aspiration of lowland Indians and Ayullu organizations of becoming self-organizing entities (Schilling-Vacaflor 2010).

The resulting new constitution was nevertheless transformative in that it recognized Bolivia as a plurinational state, it established new mechanisms for participatory and communitarian democracy, and the new concept of the goals of development as being 'the good life'. In line with its nationalist leaning, the new government also nationalized hydrocarbons, implemented agrarian reform aimed at distributing idle land, and introduced new taxes. With regards to coca, Morales has continued his struggle for reviving the dignity of coca growing for legal purposes, but has at the same time denounced the production of cocaine.

Yet the nature of the transformation that the Morales government initiated is contested. While some argue that after 2005, the Morales government developed a neostructuralist reformism far removed from the visions of the left-indigenous insurrection (Webber 2010), others view this as a continuation of class struggle through other means (Fuentes 2011). Another critique has been that the Morales administration has co-opted, disempowered and demoralized the social movements, relegating them to the role of spectators (Gutierrez 2008, cited in Kohl 2010). While several social movement leaders have been absorbed into the government thus weakening their organizations, the relationship between the MAS administration and social movements

differs across the spectrum of movements that exist in Bolivia. The MAS administration has maintained almost unconditional support of the coca growers from the Chapare region, whereas Coca growers from the Yunga region organized protests as early as 2006 in order to push the government to establish a legal coca market (Kohl 2010). Other movements have criticized the government for not going far enough in their nationalist policies, for being too soft on domestic capital, and on the United States and other imperial forces. The issue that has provoked most discontent, however, is how to balance the process of national modernization and economic growth with local self-determination and the vision of a development model that has a new relationship with nature. Whereas the Morales government in summits and speeches nationally and internationally has denounced capitalism and called for a new model that is in harmony with Mother Earth, it has accelerated the exploitation of gas, lithium and oil in the Amazon, at times against the wishes of indigenous communities. Conflict came to a head with the planned construction of a 300 km highway connecting the Andes and Amazonia through the Isobore Secure National Park and Indigenous Territory (TIPNIS). This led to widespread protest from the indigenous peoples residing there, including the 66-day march on La Paz in which 2000 indigenous peoples covered 600 km. Although the government responded with attempts to delegitimize the protesters as well as incidences of violent repression, it eventually entered into negotiations with them (Hirsch and McNeish 2011). Thus, both change and continuity with previous regimes are evident.

Conclusion: Towards political transformation, co-optation or rejection?

The political changes that have taken place in Latin America over the last decade have brought it much global attention. In a region with deep-rooted social and economic inequality and discrimination, the emergence of social movements that were not only able to mobilize broadly, but also to develop ideological platforms for their struggle to transform social and economic realities as well as the governing apparatus is a major historical event. No less remarkable is the ascendance to power of groups that were formerly relegated to marginal positions in society. For good reason then, transformations in Latin America have been compared to those that took place in Scandinavia in the mid-20th century.

As we have seen above, however, the processes of accommodation between the newly elected governments and the movements that brought them to power have been far from straightforward. Conflicts and difficulties have emerged in spite of favourable global economic conditions and the establishment of a number of international institutions that have contributed to amplifying their policy space. The two main reasons identified here are: the internal structure and strategy of the movements, and the clientelist traditions of the state. Crucially, the movements have displayed features pertaining to both the 'old and the 'new' social movements as the concepts have been coined in relation to European movements. They encompass groups that aim essentially for a transformation of the governance of the capitalist system and a more just distribution of resources, as well as groups that advocate extensive transformation into non-capitalist production relations and governance systems. This has produced divisions over strategy in general and the benefits of participating in the formal electoral system in particular. When governments supported by social movements have taken office, they have found themselves at the head of what is essentially a state apparatus dependent on the functioning of the capitalist economy. In spite of remarkable attempts to transform the state, the state's dependence on the capitalist economy for tax income and the generation of employment has produced immediate dilemmas of, on the one hand, avoiding a slowdown in economic growth while on the other, also strengthening the extractive capacity of the state, often opposed by the capitalists upon which it depends. In turn, dependence on income from natural resource extraction only serves to exacerbate the dilemma as it often runs counter to the vision of nature held by many of the groups that form the very social movements that have brought the centre-left governments to power. This was not such a controversial issue in Scandinavia in the 1930s, where conflict was centred on distribution within capitalist economies, as the groups that advocated a revolution and adoption of a complete transformation of the development model had already been defeated in the 1920s. It also differs from the situation in Argentina where the unemployed workers movement mainly fought for being re-included in the capitalist economy, not to reject or transform it.

The outcomes of the current processes remain unclear. Elements of deep transformation in Latin American politics and in development models are perceivable. Hitherto unseen levels of political participation and mobilization take place across the region, and this is a process that will most likely continue to challenge the old orders. Some regimes have

been able to institutionalize broad participation and thus establish more inclusive models of democracy. However, as indicated above, there are also many examples of attempted co-optation, and in many cases the repression of social movements, which in turn leads to their rejection of formal politics. This means that a repeat of the kind of transformation that took place in Scandinavia in the post-World War II period is highly unlikely, although we may yet see even more profound transformations both within and outside the state.

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PROOF

Benedicte Bull 99

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5

Paradigmatic Failures of Transformative Democratic Politics: Indonesia and Sri Lanka in Comparative Perspective

Kristian Stokke and Olle Törnquist

Introduction

In the introductory chapter, we defined and advocated transformative democratic politics as political agendas, strategies and alliances for introducing and utilizing democratic institutions that promote ordinary people's opportunities in order to enable them to pursue their interests and aspirations. In Chapter 2, we also observed that important examples of such transformative democratic politics may be found in Northern Europe, where popular demands from below through public institutions have produced a distinctive Scandinavian model of interest representation, economic growth and social welfare.

In the Global South, there are several examples of developmental states with models for economic growth and social welfare that display similarities with Scandinavian social democracy (Sandbrook *et al.* 2007). This does not necessarily mean that all transformative politics in the Global South are the products of the kind of democratic politics that we envisioned in Chapters 1 and 2 about the Scandinavian experience. Most post-colonial attempts at transformative politics in the Global South were initially non-democratic, as democracy was deemed premature due to limited modernization. Enlightened authoritarian shortcuts to progress were perceived as unavoidable, be they nationalist, communist or both. Nevertheless, this book focuses on those instances when significant actors identified and pursued opportunities for more democratic politics. The positive experiences of such

transformative politics have already been summarized by Patrick Heller (Chapter 3), with additional insights from Latin America provided by Benedicte Bull (Chapter 4). But there are also cases where promising initial efforts at democratic transformative politics were replaced by authoritarianism, either in the form of fully fledged military rule or in a more hybrid form where authoritarianism coexists with formal liberal democracy (Ottoway 2003; Mietzner 2009; Levitsky and Way 2010). Such cases of flawed or aborted transformative democratic politics call for critical examination of the political dynamics behind their failures. This is the focus of the present chapter, where we discuss the still relevant historical experiences of two negative cases that stand out as paradigmatic – Sri Lanka and Indonesia. As outlined in Chapter 1, we will do this by analysing how the significant actors relate to the institutional means of democracy and their political capacity to use democratic institutions to promote improved popular representation, economic development and social welfare. The argument that we will develop is that the rapid descent into authoritarian rule in Indonesia and the gradual emergence of semi-authoritarianism in Sri Lanka are due to the failure of transformative democratic politics with regard to institutionalizing substantive popular representation in combination with viable models for economic growth and social welfare.

After independence, liberal democratic institutions were fundamental to radical and innovative transformative politics in both Sri Lanka and Indonesia, including Trotskyist and socialist popular mobilization in Sri Lanka and the burgeoning of the world's third largest communist party in Indonesia. Nevertheless, both countries turned into paradigmatic failures, in the sense that the chosen development models failed to create sustained economic growth and social welfare, while at the same time authoritarianism/semi-authoritarianism overtook democracy. These experiences call, in our view, for critical attention to the nature and shortcomings of transformative politics. We will focus on three turning points that remain crucial in both theoretical and comparative perspectives. First, the downgrading of the relative importance of democracy, especially in the context of Sri Lanka's ethnic politics and Indonesia's land reform and anti-imperialism. Second, the crisis in both contexts of the state-facilitated social pacts for welfare and national development between peasants, labour and the 'national bourgeoisie', and third, the contrasting roles of Sri Lanka's deteriorating and Indonesia's reborn, but shallow, democracy in the context of development and peace building.

Promising but diverted experimentation with transformative democratic politics

In Sri Lanka and Indonesia, the early post-colonial period was marked by promising initiatives towards popular mobilization for political and socio-economic transformation. In both cases, however, it can be observed that a promising start gave way to authoritarian tendencies, with uninterrupted military rule from 1965 to 1998 in Indonesia and a gradual growth of authoritarian tendencies within the context of formal democracy since the late 1960s in Sri Lanka. While the form, extent and trajectories of authoritarianism vary between the two cases, we will argue that both can be understood with reference to the insufficient attention given to substantive popular representation, paving the way for non-democratic institutions and practices.

Indonesia: From anti-colonial democratization to the postponement of democracy

As in many colonies, the first wave of democracy in Indonesia grew out of the struggle against imperialism, racism and indirect rule through local strongmen. Initially, the groups that had fought for independence were only represented by elitist negotiations in a liberal parliamentary system; there were periods of anti-communist repression; and many cosmopolitan minorities from Asia and Europe had to leave. But there were also democratic advances in the direction of somewhat equal citizenship, rule of law and justice, freedoms and rights, and widespread basic education with a unifying Indonesian language. Moreover, elections were in the pipeline. The main problems were extensive corruption, elitist party politics and predominantly clientelist political mobilization combined with socio-religious and ethnic networks. In fact, the only reasonably modern and democratic party with roots in interest and not just patronage-based popular movements was built by young communists who opted for a reformist agenda after 1951.

These advances came to a halt after the national elections in 1955 and the local elections in 1957. Ironically, there was little wrong with these elections. But the outcome was a failure for the western-oriented socialist party and there was a stalemate between nationalists, communists and traditional and modern-oriented Muslims. In addition, the western-oriented elite and the religious parties were afraid that the successful Communist Party (PKI) would be elected into power. Even the nationalist party began to lose followers as the PKI closed up behind radical nationalist President Sukarno and some of his local and military leaders.

In this context, almost all came to agree that democracy was premature and that the right conditions had to be generated in advance (Bourchier and Legge 1994). On the one hand, liberals, socialists and modernist Muslims advocated market-led development, the rule of law and certain rights and freedoms, but not popular sovereignty. They engaged in an attempted coup and regional protests, and 'their' Vice-President Hatta even resigned. On the other hand, President Sukarno along with nationalists and communists as well as traditionally oriented Muslims and those officers who were in favour of a unitary state argued that the dissidents posed a threat to national unity and thereby developed a campaign for the 'liberation' of West New Guinea, the nationalization of all Dutch properties, plans for land reform and the introduction of 'Guided Democracy'. Parliament was dissolved and a new one appointed; elections were postponed and the main dissident parties were outlawed; the constitution was altered in favour of a strong presidency and emergency regulations granted decisive powers to the army.

The dissidents tried to respond by way of a western-supported rebellion from the 'outer islands', but they failed and their supporters in the west had to alter their policies. Their new approach was to attract the anti-communists among the officers that had supported Sukarno against the rebels. This was part of a new strategy, soon to be summarized in Samuel Huntington's idea that there was a need for rule of law, strong state institutions and 'politics of order' ahead of democracy (Huntington 1965). In addition to generous support to the military officers, the measures included western education of economists, administrators and the siblings of the officers in cooperation with American university-based area studies programmes and the Ford Foundation. Later on, this was to provide legitimacy for Suharto's mass killings, the coup against Sukarno and the subsequent three decades of authoritarian 'New Order' with little rule of law and much abuse of power.

In the early 1960s, however, the communists and the authoritarian but widely supported President Sukarno were still in command of what was probably the largest popular movement in the world. Yet this situation changed radically in the latter half of 1965 and within a year, first, the popular movement and, later, Sukarno were eliminated. Strikingly, despite being a mass movement for radical transformation, the PKI had since circa 1957 failed to uphold the cause of democratization. First, the communists had set aside freedoms and elections, opting instead for Sukarno's army-supported 'Guided Democracy', arguing that his land reform agenda and radical nationalism were a precondition to

genuine democracy. Second, the party could not return to an electoral strategy when many of the military officers behind the Guided Democracy, from 1960 in particular, turned against the communists and the popular movement (Törnquist 1984a). On the contrary, in 1965 a few leaders in the party and related movements engaged in the audacious so-called 30th September Movement (G30S) of dissident officers and political activists against the anti-communist military leadership. These actions became the pretext for army-led repression and mass killings across the country, supported by the west (Roosa 2006).

Sri Lanka: Growth and erosion of democratic socialism

In Sri Lanka, the transition from British colonial rule was an elite affair with heated debates about the form of political representation, but relatively little popular mobilization for independence and democracy. The colonial accumulation regime had produced a multi-ethnic dominant class that was subordinated to British capital but also far removed from the popular masses. The joint project of this multi-ethnic comprador bourgeoisie was conservative modernization, which meant a continuation of the colonial accumulation regime combined with formal liberal democracy, both furthering class domination (Uyangoda 1992). Socialist parties and trade unions, led by western-educated radical intellectuals, contested this class project of the domestic bourgeoisie. Thus, the principal conflict at the time of Independence was between opposed classes and organized politically as a polarized contest between the conservative United National Party (UNP), on the one hand, and the Trotskyist Lanka Sama Samaja Party (LSSP) and the Communist Party (CP), on the other (Jayawardena 2003). The social force that was numerically dominant but politically underrepresented was made up of the intermediate classes, namely the peasants, small traders, public sector employees and Buddhist monks. However, these intermediate classes came to political prominence from the mid-1950s, through elite-led incorporation into a programme of 'democratic socialism' and Sinhalese ethnonationalism that was initiated by the Sri Lanka Freedom Party (SLFP). This entailed a strong emphasis on state-led economic development within a relatively closed economy, comprehensive social welfare programmes and political discourses emphasizing socialism and Sinhalese Buddhist culture (Moore 1985; Manor 1989). Merging intermediate class interests and ethnic identities then became a highly successful strategy for different elites to gain political legitimacy, acquire state power and marginalize leftist parties. In fact this political strategy has remained hegemonic across political and ethnic divides since the mid-1950s.

Sri Lanka has retained a liberal-oriented electoral democracy throughout the postcolonial period and this has been the institutional frame for popular mobilization. It is, however, a democracy that has been marred by problems of substantive representation, both in terms of class and ethnicity. The first constitution of Sri Lanka (1948) granted universal suffrage and introduced a 'first-past-the-post' electoral system in a Westminster model of centralized government, but without a bill of rights, a strong independent judiciary or other arrangements to ensure communal rights and representation or power-sharing with the minorities (Wriggins 1960; Coomaraswamy 2003). The assumption was that an individualistic liberal model would render ethnic identities politically irrelevant. However, this followed a period when British colonialism had already introduced discourses on identities as fixed and stable entities, institutionalized ethnic categories through diverse technologies of rule and linked ethnic identities to communal representation (Hellmann-Rajanayagam 1994; Wickramasinghe 2006). In this situation, intra-elite competition for political power combined with radical popular mobilization by the LSSP and the CP led to top-down incorporation of people based on socialist and ethnonationalist populism, namely a set of material and symbolic concessions that granted certain social and political inclusion but under continued elite domination (Jayanntha 1992).

The hegemonic rise of socialist and ethnonationalist populism brought a degree of political inclusion to the intermediate classes and gave the Sri Lankan state a developmentalist character. It also meant, however, that the post-colonial Sri Lankan state gradually took on the character of an *ethnocracy* rather than a *democracy*, in other words a situation where 'the people' is constructed in ethnic terms and a dominant ethnic group gains political control and uses state power to 'ethnicise' the political system and state culture in order to further its control over the state, its resources and territory (Yiftachel 2006). This also had the effect of framing popular mobilization from below through ethnic identities, both within the Sinhalese majority and in the Tamil and Muslim minorities.

This elite-led programme of 'democratic socialism' and Sinhalese ethnonationalism has been challenged by persistent shortcomings when it comes to delivery on electoral campaign promises, producing protest votes and frequent regime changes through elections and mass mobilization. The two most prominent examples are found in the Janatha Vimukthi Peramuna (JVP), a militant Maoist and ethnonationalist movement that mobilized the Sinhalese intermediate classes in the early 1970s and again in the late 1980s, and the growth and radicalization

of Tamil minority nationalism from the 1970s onwards (Obeyesekere 1974; Swamy 1994). Such class- and identity-based struggles from below were increasingly met by coercive measures, taking Sri Lanka in an increasingly semi-authoritarian direction. This meant that while liberal democracy facilitated popular inclusion and transformative politics in the early postcolonial period, the persistence of elite domination and top-down political incorporation produced increasingly authoritarian responses when social exclusion led to popular resistance. The lack of substantive representation can thus be said to have been the major hurdle for furthered transformative democratic politics.

Crises of state-facilitated social pacts for welfare and economic development

Indonesia and Sri Lanka were both characterized by a combination of state-led development and social welfare from the 1960s onwards. This was a product of political pacts between the economic and political elite and representatives of more popular forces. The existence of such pacts did not, however, mean any substantive transformation of economic or political power, but rather constituted a series of limited concessions that furthered rather than transformed power hierarchies.

Indonesia: The counterproductive social pact

Indonesian transformative politics not only derailed because radical nationalists and communists deemed liberties and elections less important than land reform and anti-imperialism in the guise of Sukarno's Guided Democracy, leaving them without 'bourgeois democracy' as a defence when Sukarno's supporters within the military turned against them. It was also because the very social pact behind the land reform and anti-imperialism proved counterproductive by nourishing increasingly authoritarian accumulation of capital (Törnquist 1984a).

To trace the root causes of why this was not anticipated in mainstream radical analysis one needs to analyse the origin of the PKI's transformative politics. The idea was to mobilize as democratic as possible political support for national development and welfare by way of a state-supported pact between peasants, labour and the 'national bourgeoisie'. The 'national bourgeoisie' was, however, identified in a dubious way. First it was defined empirically (with Lenin) as the powerful actors who de facto oppose imperialism and feudalism and at times support 'bourgeois democracy' too. Thereafter the same actors were also assumed (with Stalin) to have 'objective' and thus ongoing interests

in such policies. The latter position was based on the assumption that national business actors and professionals had no alternative, if they did not wish to become pro-imperialist collaborators and thus pave the way for massive political support for the communists who would then stand out as being the only consistent nationalists.

But in the Indonesian reality, the entrepreneurial-oriented actors were often close to the west and anti-communists, while the nationalists, who did talk of anti-imperialism and at times even of land reform and popular participation, were not very production-oriented and used instead their radical politics and administrative power to enrich themselves. In the mid- and late 1950s moreover, the PKI added progressive nationalist-politicians, bureaucrats and military officers in the state and politics to a coalition for what Moscow labelled 'non-capitalist development'. But these actors in particular came to use radical nationalization in order to monopolize control of state regulation, assets, credits, investments, prices and jobs as well as labour and trade unions for primitive accumulation of capital and appropriation of economic surplus.

The problems of anticipating these dynamics were related to Marx's British-based model of the rise of private capitalism, according to which primitive accumulation of capital only refers to the appropriation of land and other means of production from peasants and artisans by commercially oriented landlords and other private actors supported by the state. The basic means of production were thereby turned into capital (that could be invested) and labourers were turned into commodities (that could be exploited), which enabled capitalist exploitation and accumulation of capital. This was, however, an insufficient analytical framework for post-colonial contexts. Here dominant actors who had been held back by colonialism were too weak to act in a similarly forceful way, to dispossess most people of their land and other means of production. However, these strongmen were instead capable of using politics, the state and military coercion to gain indirect control of natural resources, land and small businesses (and thus also much of the surplus produced in these sectors) as well as to nationalize or take advantage of foreign-owned companies in addition to foreign aid.

With regard to class relations within agriculture, it is true that PKI-initiated research in the late 1950s and early 1960s identified more complicated forms of exploitation as compared to the European model, thus coining the concept of 'seven village devils'. And within other economic sectors the leaders picked up on the Chinese concept of 'bureaucratic capitalists' to characterize their new opponents. But the party never acknowledged that the prime base of their adversaries lay

in their control of politics, state and coercion rather than in their links to landlords and imperialists, which the PKI continued to regard as the main enemies and thus tried to weaken by way of supporting Sukarno's land reform agenda, the nationalization of foreign companies and generally radical nationalism.

The consequences were devastating. The 'national bourgeoisie' and the supposedly progressive state leaders who accepted Sukarno did not act as expected. There was little dynamic investment and growth, although the PKI was able to constrain militant labour activism in order to build a social pact with the 'national bourgeoisie' and the supposedly progressive leaders of the state and its business interests. The result was severe economic mismanagement and crisis. Protests against looting and corruption resulted in more repression, but the communists could not fight back, as doing so would have meant losing the support of Sukarno, leaving them unable to draw on 'bourgeois democracy'. People were mobilized for the nationalization of foreign companies and in support of anti-imperialist policies with the purpose of undermining the strength of the so-called bureaucratic capitalists because their power was supposed to be based on foreign capital and the west. But the military leaders continued to extend their control over both nationalized foreign companies and state resources in general.

Although the rural context was more complicated, there was little land that could be expropriated and distributed, and there were few big landlords to fight. When trying to identify and distribute 'surplus land' it was thus difficult to avoid infighting between small landholders, tenants and labourers. These were subject to more indirect means of exploitation by local strongmen who had succeeded in gaining political and administrative power and dominated production and trade, while also providing patronage to compete with the communist-led organizations in some instances.

In short, transformative politics was undermined not only because liberties and elections were set aside but more fundamentally because the social pact in favour of state-driven land reform and anti-imperialism was hijacked by nationalists and the military as a means towards political forms of primitive accumulation of capital which mass-based movements and political parties were unable to oppose as they had no democratic tools left to fight with.

Later on, as part of the elimination of the mass movements under Suharto's New Order, the extraction of surplus by political and administrative means became more brutalized and was also used for the expropriation of land. In the late 1970s and early 1980s therefore, the

main enemy of the rural poor was perceived as the state itself and those in command of it rather than the landlords and strongmen with a base in private market-oriented production (Törnquist 1984b).

Sri Lanka: Achievements and limits of state capitalism and social welfare

In Sri Lanka, the early post-colonial period was characterized by transformative democratic politics in the sense that electoral democracy provided a space for popular mobilization that subsequently yielded state-led development and comprehensive social welfare programmes. The polarized class politics that dominated at the time of independence was replaced by the incorporation of intermediate classes under the SLFP's programme of Sinhalese ethnonationalism and 'democratic socialism' (state capitalism, social welfare and state protection for the Sinhala language and Buddhism). From the 1956 election to economic liberalization in 1977, the state took on an increasingly active role in industrial development, public sector expansion, rural livelihoods and social welfare, making the state instrumental for upward social mobility, especially for the Sinhalese intermediate classes (Shastri 1983; Moore 1985).

The electoral competition between the SLFP and the UNP in Sinhalese politics also provided some leverage for minority parties through political negotiations and government coalitions (Wilson 1994). Thus there was a degree of social and political inclusion across class and ethnic divides even amidst continued elite domination and growing ethnonationalist majoritarianism. This project contained within it, however, the seeds of its own demise, both economically and politically.

Sri Lanka's economic development and social welfare programmes relied on the performance of colonial plantation agriculture and import substitution industries within an increasingly closed economy. While this created economic prosperity at first, the late 1960s and early 1970s were marked by a growing economic crisis that originated in worsening terms of trade for export products, saturated domestic markets for import substitution industries and economic inefficiency of state-owned plantations and manufacturing industries, creating widespread unemployment particularly among educated youth from the rural intermediate classes. These youth groups had come to expect upward social mobility through vernacular language education and public sector employment, but had failed to make substantial material gains due to economic stagnation and lack of political networks and patronage (Obeyesekere 1974). Aggravated socio-political grievances formed the

basis for the Janatha Vimukthi Peramuna (JVP), a revolutionary movement that made a failed attempt to capture state power through armed insurgency in 1971 and later brought the state close to collapse through guerrilla warfare in the late 1980s (Gunasekara 1998). The JVP employed a combination of Maoism and Sinhalese nationalism to mobilize socially and politically excluded youth, thus appropriating and radicalizing the government's own framework for popular mobilization. The socialist-ethnonationalist framing of popular politics thus went from being an instrument for elite-led incorporation to becoming a basis for mass mobilization and militant contestation in the context of social and political exclusion.

In the face of economic crisis and popular counter mobilization, the government furthered the state-led development model and made social welfare more targeted to specific client groups while also using state repression against counter hegemonic movements. These were concessions from above in the face of economic crisis and resistance from below rather than transformative politics of an effective social pact. They were also imposed without effective participation by Tamil representatives (Wilson 1994). Given the parliamentary strength of the government, the leverage of the minorities was significantly reduced. This produced a legitimation crisis for the Tamil political elite in the 1970s, especially among youth groups who questioned the aims and means of their communal leaders. The response from the Tamil elite was to radicalize the aims but not the means of Tamil nationalism, but this turned out to be ineffective vis-à-vis a government that was preoccupied with pursuing ethnonationalist 'democratic socialism' in order to maintain its political legitimacy. Consequently, Tamil separatism gained momentum while the Tamil elite were being challenged by radicalized youth, thus paving the way for militant separatism (Hellmann-Rajanayagam 1994; Swamy 1994). These political dynamics of economic stagnation, social exclusion and popular resistance led to economic liberalization as well as growing authoritarianism from the late 1970s, challenging both the democratic and developmental substance of 'democratic socialism' (Stokke 1997). The class and communal alliances that had characterized transformative politics in the 1960s were thus replaced by ethnic majoritarianism, clientelism and authoritarianism from the 1970s.

Transformative democratic politics after transitions to peace and democracy

Indonesia and Sri Lanka are both in the aftermath of crucial political changes. Whereas Indonesia underwent a transition from three decades

of authoritarian rule to liberal democracy in the late 1990s, Sri Lanka has recently ended almost three decades of civil war. This creates opportunities and raises critical questions about the prospects and dynamics of transformative democratic politics. While we see possibilities for such transformations, there are also major hurdles, not the least related to the manner in which the transitions took place. This is especially visible in Sri Lanka, which is marked by entrenched democracy deficits, but even Indonesia displays critical constraints on transformative democratic politics.

Indonesia's constrained democratization and 'new politics'

During the 33 years of authoritarian capitalism in Indonesia and even by the late 1990s, most analysts argued that democracy was premature, with a fourth argument added to those of insufficient modernization, weak institutions and dependency combined with landlordism: that the country was short of the kind of capitalist development and middle and working classes that had produced democracy in Europe and North America. Yet it was the counter-argument that proved more correct: that the contradictions of primitive accumulation by political monopolization of resources and subordination of labour would generate struggles for democracy against the Suharto regime. From the late 1980s, demands for democratic rights and liberties and the adjustment or dissolution of all political and state institutions that the rulers had abused became increasingly important items on the political agenda. This culminated in the overthrow of Suharto in 1998, and seven years later it even fostered peace and reconstruction in the rebellious, tsunami-affected province of Aceh.

There was, however, less democratization and adjustment of state and politics than individual freedom and privatization. Indonesia's democratization was successful, but combined with the quick adjustment to and domination of the new 'correct' institutions by the elite by way of renegotiating authority, legitimacy, contacts and access to resources (Nordholt and van Klinken 2007). Meanwhile, the democracy activists were unable to provide realistic alternatives and lost out (Törnquist 2000; Prasetyo *et al.* 2003).

After a few years, Indonesia was frequently identified as a successful case of the crafting of democracy (Aspinall 2010). The country had become the most liberal in South East Asia. Papua remained a problem, but East Timor had gained independence and the civil war in Aceh had been replaced by rudimentary local self-government and democracy. Corruption remains severe, but it is publicly criticized and the political role of the military is significantly reduced. The economy

has done well, thanks to the export of raw materials and middle-class consumption.

How was it possible to achieve these partial victories without altering structural conditions? It is tempting to conclude that Indonesian democracy is 'fake', that it is an oligarchy based on Suharto's old elite and that the main difference in comparison with the Suharto regime is that the elite is now governing through democratic elections in which they use their huge resources to win a majority of the votes (Robison and Hadiz 2004).

More detailed examinations (Priyono *et al.* 2007; Samadhi and Warouw 2009; van Klinken 2009) emphasize, however, that the constrained yet important democracy is due to the fact that centralized political governance of public affairs, including business opportunities, has been replaced by decentralization, privatization and delegation to non-governmental institutions. Elected executives, parliamentarians, private capitalists and NGO leaders have taken over from those who had in the past been appointed by the authorities. Although there have been no safe havens for the old oligarchs, they have also been given the best possible opportunities to build new alliances with former dissident politicians, business actors and social leaders. Both central and local government institutions as well as political parties have thus been *de facto* monopolized, not just by the elite that dominated under Suharto, but also by those powerful actors who gained a new lease of life after 1998, thanks to economic resources, networks and control of the media. Formal rules and the need to mobilize huge funds with which to bend them prevent ordinary people from participating in elections with their own parties or as independent candidates. Suharto's corporative system of top-down representation has not been altered. Democratic issue and interest-based representation continue to be overshadowed by pressure group politics, lobbying and media campaigns that require good contacts and access to substantial funds. In short, elitist democratization in Indonesia has been possible because public affairs have been depoliticized.

In turn, depoliticization was largely made possible by the lack of powerful alternative actors capable of mobilizing a broader stratum of popular forces on a democratic platform. So what are the weaknesses of the alternative actors based on?

The democracy movement was formed of three main strands (e.g. Törnquist 1997; Aspinall 2005; Lane 2008). One strand was made up of the liberal and socialist-oriented intellectuals and student groups that had been critical of Sukarno's authoritarianism and the PKI's radical

nationalism. Some even supported the military in 1965 before they later realized that Suharto's coup involved mass killings and that the military, rather than the middle-class technocrats and intellectuals, would be at the helm. Another strand of the democracy movement came from the non-communist trade unions and civil society organizations that focused on the farmers and urban poor. A third strand belonged to a new generation of civil society groups concerned with 'alternative development', often focusing on the environment or human rights and corruption. All dissidents agreed, however, that the authoritarian state was a major obstacle and that 'civil society' was the basis for an alternative. Class differences were not at the forefront and the new groups were neither based on extensive membership nor countrywide organizations outside of the major cities, functioning rather as influential networks. The focus was on specific issues, rights and problems.

Later, leftist-oriented students tried to alter this cautious approach, arguing that substantive improvement required regime change. This called for political leadership and closer links between civil society groups, activists and ordinary people. The radical position was increasingly accepted but there was no agreement on how to move forwards. There were temporary coalitions, but most groups stuck to their own projects in opposing the regime and were suspicious of each other. Meanwhile, other activists tried to reach out to ordinary people by relating to socio-religious organizations.

In short, there was a 'democracy movement' in the sense that groups agreed on the need for political change and democratization. But there was no ideological unity or national level coordination, and almost no attempts at forming united fronts and parties. While important in undermining the legitimacy of the regime, the movement stood for no coherent alternative. A major claim was that 'civil society' and the people themselves should run the country. Yet the movement failed to develop an alternative transitional arrangement and snap elite-driven elections made activists lose momentum, only to become socially and politically marginalized (Törnquist 2000; Prasetyo *et al.* 2003).

The major reason behind the democracy groups' inability to form a genuine alternative and develop a transformative strategy is simple: there was no strong reason for any of the actors involved to do so (see Budiman and Törnquist 2001; Prasetyo *et al.* 2003; Priyono *et al.* 2007; Samadhi and Warouw 2009). Typically, the pro-democrats only related to sections of the population, rarely providing links between, for instance, activities in workplace, residential areas and communities. Activists were engaged in specific localities, paying little attention

to wider issues of governance, development and public welfare. There was much focus on the rule of law, human rights, corruption and civil control of the military, less on citizenship and almost nothing on representation and the capacity of governments to implement policies. Activists rarely tried to mobilize followers inside public administration and to engage in organized politics, nor were they present in public and private workplaces. Their main achievement was to collect and disseminate information, engaging in lobbying and pressure group activities and promoting self-management and self-help. Their authority and legitimacy were due to privileged knowledge and participation in the public discourse at the expense of organizing with a view of obtaining a public mandate or winning elections. In spite of some advances, the activists remained poorly connected to social movements and popular organizations (and vice versa). Collective action was mainly based on individual networking and alternative patronage as opposed to participation in broad and representative organizations. Parliaments and executive institutions were approached primarily through lobbying by NGOs and critique from the media. Given the issues that were prioritized, this was a more effective strategy, at least in the short run, than to engage in building mass politics, viable political parties or broad interest-based organizations.

This was a major achievement compared with the Suharto period when organized politics (except in the government party) was prohibited at grassroots level in order to turn ordinary people into what the regime called a 'floating mass'. After Suharto, however, the pro-democracy activists themselves were 'floating', having failed to develop a solid social constituency. They were unable to generate substantial improvements in terms of popular control of public affairs on the basis of political equality. In many cases they even contributed to more privatization and polycentrism. It was not clear what people (*demos*) would control which public affairs. In addition, the groups were often marginalized or co-opted by more powerful local actors within politics, administration and business, as well as by international organizations and donors.

In face of these weaknesses, many activists have tried to develop new ways of engaging in organized politics (Törnquist *et al.* 2009b). Some have tried to foster democracy through customary (*adat*) groups, indigenous peoples and Muslim congregations on the basis of equal citizenship. Others have made efforts to bypass 'rotten politics' by developing 'direct politics' to foster public discussion, social auditing, struggle against corruption and participatory budgeting in favour of not

very specified 'pro-poor' policies. Additional projects have included the facilitation of trade union or broader social movement-based politics and parties. The most popular strategy has been to negotiate political contracts of cooperation with strong political actors that need to broaden their alliances and support base beyond predominant clientelist arrangements (see Chapter 12).

All these strategies reflect existing priorities and organizational practices among the pro-democrats whose aims but not politics were modified. The main focus was still on issues of immediate concern for their own organization or movement rather than on interests of wider concern that would have called for broad alliances and mass politics. And when attempting to cooperate, the activists had problems of poor political representation, both within the groups and organizations themselves and in relation to political parties, parliaments and state institutions. And it was frequently not even made clear what people (*demos*) were supposed to be in control of what public affairs.

Other activists did attempt to build political fronts from within an already powerful party or movement, turning them into instruments of change. The main problems were the risk of being co-opted and the need to build sufficient strength to advance when it was impossible to build open factions inside a party or movement. And those who built a national ideology-driven party on their own to provide political guidance and coordination to the many democracy groups were better read in radical literature than capable of serving as the representatives of civil society organizations in general and the supposedly broad movements – that nevertheless hardly existed, in particular.

The only political project that at least initially made a crucial difference was that of fighting for the legalizing of local parties and independent candidates in elections in the autonomous war-torn and tsunami-affected province of Aceh. Remarkably, the leaders and activists involved even managed to turn this into the generally accepted foundation for the peace agreement in Helsinki and to then build an alliance and win the 2006 elections of local executives, in spite of resistance from semi-aristocratic leaders in exile of the Free Aceh Movement (GAM) and mainstream Indonesian politicians. Thus it was possible to envision the new institutions as a model for the country at large as well as for other conflict areas. These advances, however, were rapidly undermined. The international community were busy with the post-tsunami reconstruction work and made little effort to employ their enormous programmes to support attempts at better governance in Aceh. This helped the semi-aristocratic leaders and local strongmen with access to

the command structure of the rebel movement to become dominant, to develop power-sharing agreements with former enemies and to do away with the reformists. Moreover, the reformists themselves were not very successful in using the positions that they had gained in the elections to foster interest-based representation and initiate alternative development and welfare measures. Thus most actors (no matter reformist or not) turned instead to lobbying, clientelism and corruption in their efforts to retain their positions (Törnquist *et al.* 2011).

In conclusion, Indonesia had thus gone from the disassociation in the 1950s and early 1960s of interest-based mass politics with democratization to the acknowledgement in the late 1980s onwards that democratization is crucial and primary but constrained by polycentrism, individual freedoms and privatization as well as being disconnected from interest-based mass politics.

Post-war Sri Lanka: Ethnocratic and clientelist authoritarianism

Sri Lanka is in a post-war situation. This raises the question about whether the end of warfare means a return to democratic politics with opportunities for transformative democratic politics, or whether Sri Lanka's democracy is more formal than real and with little space for substantive political participation and representation. While Sri Lanka is a relatively old democracy, it is marked by entrenched democracy deficits both in institutional arrangements and political practices. These democracy deficits are both causes and effects of the ethnic conflict and have emerged gradually in tandem with the escalation of the conflict (Tambiah 1986; De Votta 2004; Stokke 2011). The military approach to ending the war in Sri Lanka has had a profound impact on the post-war political space for class and minority politics (Stokke and Uyangoda 2011). It has, first and foremost, allowed the regime of President Mahinda Rajapakse to define the terms of peace, reproducing rather than reforming undemocratic institutions and practices. The outcome is a political system that cannot effectively and substantively accommodate class interests and communal identities, but relies instead on ethnonationalist, clientelist and repressive strategies with which to contain opposition. This means that although Sri Lanka is in a post-war phase and is partially a liberal democracy, it is marked by illiberal tendencies towards ethnocratic and clientelist authoritarianism. This severely limits the possibilities for transformative democratic politics, at least in the short run.

The ethnocratic character of the Sri Lankan state has emerged gradually and been closely linked to the escalation and perpetuation of

the ethnic conflict. Ethnocracy preceded and produced the war, but the protracted war and the way the conflict ended have also reinforced this character of the state. The political discourse of the current regime, for instance, refuses to acknowledge the existence of distinct and legitimate minority grievances, while implicitly or explicitly conflating 'Sri Lankan' with 'Sinhalese' identity and culture. In war-affected minority areas, reconstruction and development are utilized as investment opportunities for Sinhalese-owned businesses and political actors, land rights policies are experienced as Sinhalese colonization, heritage preservation is geared towards imbuing places and landscapes with Buddhist meaning and state administration is carried out with a key role for the armed forces and furthers the use of Sinhala as official language. While the manifestations are diverse and localized, many Tamils experience that the Sinhalese-dominated ethnocratic state is furthering its cultural and territorial control in minority areas, thus strengthening rather than transforming the ethnocratic state.

Turning to the question of authoritarianism, it has already been noted that while Sri Lanka has maintained some of the basic institutional requirements for democracy, there have also been growing tendencies towards authoritarianism and an erosion of the accountability relations between government and people. Political centralization and militarization of state–society relations are the two foremost expressions of authoritarianism that currently coexist with Sri Lanka's limited democracy (Coomaraswamy 2003; de Mel 2007). Political centralization has become especially prominent through the constitutionalization of a strong executive presidency and the lack of devolution of power. This severely limits accountability between the government and people and in particular curtails the political space for ethnic minorities and for conflict resolution based on power sharing. The last three decades, and especially the periods 1977–94 and since 2005, have also been characterized by multifaceted tendencies towards militarization (Uyangoda 2011). This has not happened through increased power of the military at the expense of political leaders, but rather through close relations between democratically elected leaders with centralized political power and military and paramilitary apparatus. Centralization and militarization have both emerged gradually in response to popular mass mobilization, especially the rise and radicalization of Tamil separatism. This has created a situation where the basic institutional requirement for liberal democracy: civil and political rights and free and fair multi-party elections have been maintained, but in

coexistence with authoritarian practices that severely limit the quality of democracy.

After the government of Sri Lanka's military defeat of the Liberation Tigers of Tamil Eelam (LTTE) in 2009, there have been no concrete initiatives to address the problems of centralization through political devolution. Political centralization thus remains a defining feature of the Sri Lankan political system that severely limits accountability between the government and people, and especially limits the political space for minorities. When it comes to militarization it can likewise be observed that the post-war period has been marked by continuity rather than radical transformations, especially in minority areas. While there has been a decline in military presence and control in Sinhalese majority areas, military rule continues with extensive powers in the North and East. While Emergency Rule has recently been lifted, its substance is in practice maintained through new provisions and continued military administration in minority areas. And although freedom of speech and assembly are formally upheld, there are numerous examples of repression and intimidation of minority politicians, journalists, community leaders and activists.

These authoritarian tendencies coexist with a persistent and growing importance of clientelist networks and practices. One key explanation for this is that access to the state and political power has become very important for private accumulation within the elite and for individual livelihoods and opportunities among ordinary people. This centrality of the state emerged with the development model that was pursued in the 1960s and 1970s and has remained despite a shift in macroeconomic policy towards economic liberalization in the late 1970s (Moore 1990; Venugopal 2011). A second factor behind growing clientelism is the continued need for welfare support among client groups amidst a crisis of universal welfare programmes, making welfare support more narrowly defined, based on ethnic identity, party loyalty and patron–client relations. Taken together, the centrality of state-centred accumulation and the persistent need for welfare support, means that access to political power has become very important for both elites and ordinary people and that such access is negotiated through networks within the elite and between political patrons and their clients.

This logic of rent seeking and clientelism has become even more pronounced since the end of the war. The post-war economy has been characterized by state and foreign investment in reconstruction and infrastructure development, funded not least through loans and grants from geopolitical stakeholders in the region. This creates

new opportunities for private accumulation from state contracts and for maintaining clientelist networks. The present regime maintains its legitimacy through a combination of Sinhalese ethnonationalist populism and clientelist concessions within political networks. The latter is especially visible in instrumental alliances with smaller parties, factions and individuals, including from minority communities. This network logic of politics shapes the strategies within the political elite, but also the political space and strategies of minority parties and politicians. They face a fundamental dilemma; either to pursue principled and collective action that may render them relatively powerless and possibly make them targets for authoritarian repression, or to enter into clientelist relations that may offer short-term concessions but not structural transformations towards substantive peace and democracy.

These tendencies towards ethnocracy, authoritarianism and clientelism limit the prospects for democratic transformative politics in Sri Lanka. It has already been mentioned that popular forces face a harsh dilemma between loyalty and opposition, where both options entail very limited prospects for substantive political influence. At a more general level, it can be argued that the Sri Lankan state has become exceedingly reform resistant, both in regard to ethnic identity politics and class interests. Uyangoda (2011) argues that the combination of ethnocracy and pressing security concerns has produced a state that has been reform resistant in the context of civil war and remains reform resistant under conditions of post-civil war. The main reason for this is that the mass base of ethnocracy undermines pressure from below for substantive state reforms, while attempts to negotiate minority rights and power sharing at the elite level is typically undermined by instrumental ethnonationalist mobilization by the opposition. The outcome is a state that has very little ability for democratic self-renewal. In this situation, Uyangoda concludes that transformation of the reform resistant ethnocratic state requires a multi-ethnic and multi-class political coalition committed to demilitarization, devolution and democratization. This is, however, exceedingly difficult, given the deep political divisions at both popular and elite level, the lack of organizational capacity – especially within the minorities after the war, and the current regime's strategies of divisive clientelism and state repression of oppositional forces. Sri Lanka has thus gone from being a promising example of transformative democratic politics to a paradigmatic failure, with limited prospects for substantive transformations in the near future.

Contemporary relevance

The starting point for this chapter was the observation that there are diverse cases of transformative politics in the Global South. While there are some states in which significant actors have successfully pursued transformation through democratic politics, most attempts at transformative politics in post-colonial societies have been non-democratic and prioritized modernization over democracy. The focus of this chapter has been on yet another type: cases where promising initial efforts at transformative democratic politics have been replaced by authoritarianism or semi-authoritarianism. Examining two such cases, Indonesia and Sri Lanka, we have emphasized the failure of state actors and popular movements to institutionalize substantive popular representation, and how this has produced top down models of limited political and social inclusion.

While our comparative analysis has been historical in orientation, we find that Indonesia and Sri Lanka provide important lessons that have continued relevance even today and in wider contexts. First and foremost, the descent into authoritarianism in Indonesia in the 1960s and the growth of semi-authoritarianism in Sri Lanka from the late 1970s testifies to the problems of incorporation rather than integration of people into politics, including on the part of several of the liberal and socialist left-oriented actors. This remains a key concern in many states that have undergone depoliticized and neoliberal transitions to liberal democracy in recent decades (Harriss *et al.* 2004; Törnquist *et al.* 2009a). Second, the historical experiences in Indonesia and the contemporary situation in Sri Lanka also point to the related problem, namely that many powerful actors gave, and still give priority to supposedly stable institutions of governance as a precursor to popular sovereignty. This position, which was influential in political and academic discourse in the 1960s, has returned to the forefront through discussion about the sequencing of institutional reforms for rule of law and popular democratic representation in transitions to democracy (Huntington 1965; Carothers 2007). Third, the Indonesian and Sri Lankan cases also demonstrate the unresolved problem of finding a viable alternative to the old social pacts that opened up neoliberal and authoritarian growth models by negating the importance of democratization to discipline the primitive accumulation of capital. Fourth, both cases also point to the continuous challenges of identity politics and integration, namely how to reconcile universalism and group belonging in institutions and practices of citizenship and democratic

representation. Here, the historical experiences of Scandinavian social democracies that we discussed in Chapter 2 provide few lessons. In fact, growing multiculturalism due to international migration has actualized the challenges of reconciling identity with well-established class and gender-based transformative politics in these societies. Fifth, Indonesia and Sri Lanka also demonstrate the unresolved problem of developing a social democratic alternative to liberal peace strategies. The remarkable advances made in Aceh in 2005 and 2006 were undermined by the shortage of supplementary forms of popular representation to the shallow freedoms and elections that former commanders and old patrons soon adapted to.

Finally, we want to highlight that the dilemmas facing activists in Indonesia today, briefly summarized as challenges of ambiguous democratic representation and of combining struggle for freedoms and rights with popular interests and mass-based politics, are similar to those of activist in local civil societies in many states who have undergone transitions to liberal democracy and neoliberal development (Harriss *et al.* 2004; Törnquist *et al.* 2009a). Even the most advanced new transformative projects such as in Brazil, Kerala, the Philippines and South Africa (see Chapters 3, 4, 9 and 10, this volume; Törnquist with Tharakan 1996; Tharakan 2004; Törnquist 2004; Törnquist *et al.* 2009b) continue to grapple with the theoretical as well as practical problems of combining conventional liberal-democratic representation, lobbying and civil society influence on the one hand, with additional channels of more democratic issue and interest representation as well as direct participation, on the other hand. The same applies to the development of strategies that do not separate but combine democratization with reforms for welfare-based economic development.

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PROOF

Part II

Transformative Politics in the Context of Growth Economies

PROOF

6

Accumulation and Inequality in China: What Spaces for Inclusion and Welfare?

Kristen Nordhaug

Introduction

China's market reforms since 1979 have resulted in dynamic capital accumulation with strong income growth. Growth, however, has been distributed unequally, while welfare rights and employment guarantees from the socialist period have been abandoned or weakened. And accumulation has gone hand in hand with oppressive exploitation, redundancies, land confiscation, discrimination, corruption and environmental degradation. Over the past five to ten years, the central government has responded with social reform initiatives, but what are the chances of success? How are other actors likely to respond and what potential is there for transformation?

In order to identify the processes that have resulted in China's inequalitarian model of accumulation, I will use the examples of Taiwan and South Korea for comparative purposes. By relating China's unequal model of accumulation to legacies from the Mao period and the unfolding of China's market reforms that began in 1979, I will argue that local governments have responded to fiscal and budgetary decentralization with policies to promote capital accumulation. They have, however, also responded with illegal taxation and land confiscations. I further argue that the local governments' promotion of capital accumulation has caused systemic over-accumulation and that the dark side of China's economic miracle has given rise to popular protest. In turn, the central government has responded with reforms aimed at reducing inequality and improving welfare in order to dampen social unrest and change China's model of accumulation. However, many of these reforms have

been resisted by both local governments and business. In conclusion, I argue that the successful implementation of the equalizing reforms 'from above' requires the support of popular mobilization 'from below' and discuss recent trends in China's labour relations to identify potential developments in this direction.

Precedents and legacies from the Mao period

From the late 1950s until the late 1970s, most land and means of production in China were publicly owned. Labour and land could not be bought or sold and market exchange and family labour were also restricted. The rural population was enrolled in collective production brigades; the urban population in work units. The work units controlled members' consumption as well as production and provided housing, healthcare, education and pensions (Andreas 2008: 126–127).

Agriculture was treated as a source of revenue and cheap wage goods to be squeezed through compulsory sales to the state at low prices (Christiansen and Zhang 2009: 13). The government restricted migration within the country through a system of household registration (*hukou*) and the control of housing, food rationing and jobs. There were particularly severe restrictions on migration from the countryside to the cities. Urban workers in state-owned enterprises and public administration received nationally guaranteed wages and welfare. Workers in rural collective farms and enterprises received non-standardized wages and services, which were inferior to those in the cities and depended on local economic conditions.

Despite the strong urban bias, living conditions in the countryside improved during the Mao period. The government encouraged irrigation and new high-yielding rice varieties and fertilizers. Rural health and education were promoted. In 1980, China had remarkably high scores on life expectancy and adult literacy in relation to its low GDP per capita (Arrighi 2007: 371–372).

The Chinese Communist Party (CCP) came to power through popular mobilization and the organization of mass associations of peasants, workers, women and youth. After the revolution in 1949, these organizations were subject to the one-party state, serving in the main as transmission belts for government decrees. The labour union was first suppressed and then disbanded during the last decade of the Mao period (Unger and Chan 1996: 104). In general, non-state organizations were not allowed to operate independently of the CCP.

Market reform, growth and distribution

Chinese market reforms began in 1979 under Deng Xiaoping's leadership, and administrative reform played an important role. At that time local control of the party state was limited to the self-contained people's communes that had a high degree of economic self-sufficiency and were led by local cadres who combined administrative and economic power. The market reforms separated economic and 'civilian' administration within the collectives, while new economic zones merged the administration of cities with surrounding rural communities (Shue 1988: 106–118).

The so-called household responsibility system, which was introduced during 1979–83 enabled previously collective farmers to lease land from the collectives. In return for receiving usage rights to the land, the farmers had to sell grain quotas at administratively fixed prices. By the end of 1982, more than 90 per cent of China's agricultural households had returned to household farming (Naughton 2007: 120, 240–241).

The dismantling of collective farming undermined the health and education services that had previously been provided by rural collectives, leaving the rural population to cover new costs for schooling and healthcare. This in turn became an inducement to seek off-farm employment, particularly within the new and enlarged economic zones where farm household members found work in the rural township–village enterprises (TVEs) that emerged out of the previous rural collective enterprises (Naughton 2007: 243–246). A cheap, relatively well-educated and healthy rural population was an asset for the TVEs, which were in a strong position to compete with the more regulated state-owned enterprises (SOEs). Rural industry was growing within the booming TVE sector.

Chinese communists carried out revolutionary land reform during and after the Chinese civil war. They removed the landlord class and redistributed land equally. Their opponents in Taiwan and South Korea responded with 'counter-revolutionary' land reforms that also removed landlords and redistributed land. China collectivized agriculture from the mid-1950s, but after the introduction of the household responsibility system, China's rural structure resembled those of South Korea and Taiwan. There was egalitarian, small-scale family farming in all three countries. Decentralized rural industrialization provided off-farm employment close to the farm, both in Taiwan from the early 1960s and in China in the 1980s. In both countries, labour-intensive manufacturing went hand in hand with strong economic growth and egalitarian

family farming. Similar patterns were found in South Korea, although with less rural industrialization. Gillian Hart has coined the term 'accumulation without dispossession' to underscore that these East Asian models of accumulation differ from the orthodox Marxist model, where 'primitive accumulation' with the separation of peasants from their land precedes capitalist industrialization (Hart 2002: 214–224).

South Korea and Taiwan have combined strong economic growth with relatively equal income distribution. Their 'growth with equity' is normally associated with the equal distribution of land prior to industrialization. China's development has, however, been characterized by strong economic growth and increased inequality despite similar rural structures. In 1980, the Gini coefficients of income distribution in China, South Korea and Taiwan were 0.32, 0.36 and 0.31 respectively. Income distribution in South Korea and Taiwan remained at similar levels during the next decades, while China had a Gini coefficient of 0.47 in 2005, on par with the most unequal Asian countries (Hung 2008: 163).

In the early 1980s, China appeared to pursue growth with equity that reduced the large income disparities between the cities and the countryside. The ratio of urban-to-rural household incomes declined from 2.5 in 1978 to 1.8 in 1984. However, from 1985, the ratio began to rise again and has remained above 3.0 since 2002 (Naughton 2007: 133). In contrast, urban-rural income distribution became more equal in Taiwan and South Korea during the 1970s. In South Korea, for example, the ratio changed from 1.49 in 1970 to 1.05 in 1974 (Hung 2009: 12).

Urban-rural equalization in Taiwan and South Korea came as a result of policy shifts. Previously, the government of Taiwan had monopolized the sale of fertilizers that were bartered against rice from the farms at terms of trade highly unfavourable to the farmers (Selden with Ka 1993), while South Korean authorities had neglected the countryside. In the early 1970s, both governments expanded public investment in rural development programmes, and Taiwan ended its rice-fertilizer barter system. The policy shifts came in response to problems of external security and domestic legitimacy. The United States's commitment to the military protection of South Korea and Taiwan became more uncertain as the Nixon administration attempted to normalize relations with China. The domestic opposition in South Korea, and to a lesser extent Taiwan, became stronger and blamed the governments for the plight of the peasantries. Both governments responded with a number of new policies, including rural policies aimed at increasing self-sufficiency in food and improving legitimacy (Gold 1986: 106; Haggard and Moon 1993: 74–75; Hung 2009: 12–13).

In contrast, China's urban bias persisted into the next century, after a brief interlude with relatively favourable agricultural policies with high procurement prices in the early 1980s. Unlike South Korea and Taiwan in the 1970s, China's security situation was stable. International relations with the United States improved in the early 1970s, and relations with the Soviet Union improved in the mid-1980s. Also, the domestic challenge from the Tiananmen Square student movement in 1989 had not included demands on behalf of the peasantry.

Growing rural incomes and the scarcity of cheap rural 'surplus labour' pushed wages up in Taiwan and South Korea. From the late 1980s, their manufacturers began to relocate significant amounts of labour-intensive production to low-wage areas in East and Southeast Asia, including China. China's rural surplus labour abounded through the 20th century and wage levels remained low.

China developed free export zones ('special economic zones') and 'open economic regions' along the coast before the full transition to a national, export-oriented industrialization strategy was initiated in 1993. The export-led manufacturing of the 1990s was more concentrated in urban and coastal areas and created less employment than the import-substitution manufacturing of the 1980s. There was a surge in private-sector production and services as restrictions on private enterprise were lifted in the late 1980s. In the second half of the 1990s, the Chinese authorities launched tough public enterprise reforms. China's SOEs were gradually restructured from being dual-purpose business and welfare institutions to become profit-maximizing enterprises.

In 1988, a new bankruptcy law ended guaranteed lifetime employment. From the mid-1990s, SOEs received less support from the government-controlled banks and many became financial burdens to the local governments that owned them. The 15th Communist Party Congress in September 1997 gave local governments a relatively free hand to let SOEs go bankrupt and to privatize, corporatize, merge or downsize them. A large number of SOEs went bankrupt and were restructured or privatized along with thousands of TVEs that had served as their subcontractors. SOEs were permitted to abandon previous welfare commitments to their workers, which were replaced with much less comprehensive government welfare services (Naughton 2007: 105; Walker and Buck 2007: 43; Andreas 2008: 130–131). Manufacturing employment fell from 126 million by yearend 1996 to 101 million by yearend 2002. During the same period, employment within wholesale and retail, construction and transportation increased from 99 million to 109 million (National Bureau of Statistics 2005: Table 5.6; Banister

and Cook 2011: 41). This rise was not, however, sufficient to fully compensate for the decline in manufacturing employment. Millions became unemployed, while the informal sector was growing.

In the 1990s, a large number of workers migrated to the cities to find employment, something that had previously been restricted by a food rationing system in which food coupons were reserved for households with urban *hukou*. At the end of the 1980s, this system was abandoned. In the early 1990s, employment growth of the rural TVEs slowed down and migration to the cities increased. Many urban governments restricted the use of migrant labour during the second half of the 1990s as urban unemployment increased, yet after the turn of the century labour migration to the cities rose swiftly (Li 2008: 4–5). In 1980 about seven million individuals were categorized as migrants, having lived at least six months in a county other than the county of their official household registration residence. This number increased to 22 million in 1990 and 79 million in 2000. The total number of migrants between and within counties was 144 million in 2000 (Liang and Ma 2004: 470, 476). By 2010, this number had increased to 221 million, 160 million of which were rural migrant workers (*Xinhua*, 1 March 2011).

Most migrant workers were employed in the private sector, especially within manufacturing and construction. Their employment was typically short term, with low pay and dangerous and dirty work. Only a minority signed labour contracts with their employers. Migrant workers without permanent urban *hukou* were deprived of the welfare entitlements enjoyed by the registered urban population. Migrant children inherited their parents' *hukou* and were unable to obtain urban welfare rights.¹ Migrant workers were also segregated by the shifting durability of their temporary residential rights and varying degrees of civil and social rights. Right at the bottom were the so-called 'ghost workers' without documents, who were exposed to official abuse and evictions (Naughton 2007: 124–125; Li 2008: 9, 14, 16; Wang 2010: 338; Wu 2010: 61–75).

Decentralized governance: Developmentalism and predation

China's growth with inequality has unfolded within a decentralized political order, where local administrations from provinces downward are under strong pressure to expand their revenue. In 1986, a system of 'fiscal contracts' with the SOEs stipulated their profit remittances to the central government, while they were allowed to retain the remainder, and in 1988 a similar system was established between the central government and local governments (Wong and Bird 2008: 430–431).

Financial responsibilities are also extremely decentralized. Since 1994, the central government's share of total financial expenditure has only been about 30 per cent, while the remainder of the expenditure is distributed across four levels of local government (Wong 2009: 77). Decentralization has strengthened the orientation to economic development goals in provinces, city municipalities, counties and townships.

A new 'cadre responsibility system' was established in the early 1990s. Local government officials were assessed for bonuses and promotion, or fined, according to the results of their administration within areas such as industrial and agricultural development, tax collection, family planning and social order (So 2009: 54, 60). The primacy of economic development was further strengthened by the new Tax Sharing Scheme that was established in 1994 to redress the distribution of revenue between the central and local governments. Local governments would have to manage the same tasks as they had previously while their share of the total revenue declined.

Local governments were frequently in arrears on payments of wages, pensions and unemployment benefits after 1994. They tried to develop extra-budgetary sources of revenue that were not included in the system of revenue sharing with higher levels of the government. These extra-budgetary revenues included legally retained earnings of public enterprises, as well as illicit or 'grey zone' revenue from extra fees and surcharges on public goods and services, expropriations, fines and bribes.

Local governments developed and strengthened public corporations. They also saved to invest in infrastructure in the hope of boosting economic growth and revenue, while attempting to restrict public consumption. They controlled provincial and local branches of the state-owned banks that provide credits for state-owned enterprises. Competition between local governments is a major source of dynamism in China's capital accumulation, which sustains a high level of productive investment, but is also a source of over-accumulation. Competition promotes duplication of investment across provinces and the build-up of excess capacity, which has reached global proportions in several manufacturing branches (Hung 2008). In addition to over-accumulation in the real economy, easy credits have also sustained property bubbles in China's cities.²

While the authorities in coastal regions were able to establish TVEs to earn extra-budgetary revenue, those in the interior or those located far from the cities were normally unable to do so. They were under strong pressure to engage in illicit activities in order to meet their targets (So 2007: 565–568, 579 note 11; Wong and Bird 2008: 438, 446–449).

Under these conditions, even well-intended reforms by the central government might backfire. For example, it is likely that local governments expanded their illicit confiscation of farm land from the turn of the century to compensate for the losses of revenue that resulted from centrally imposed restrictions on rural taxation (Lee 2007: 259).

Unlike Taiwan and South Korea, there have been marked, recent trends of 'primitive accumulation' in China, as peasant ownership of land has become more contested in semi-urban areas. In November 2003, Chinese authorities reported more than 168,000 cases of illegal land seizures that year, which was twice as many as in the whole of the previous year. Estimates of the number of people who have lost their land, mainly as a result of urban expansion, vary between 40 and 66 million. According to one estimate, 10 million of the dispossessed were unemployed (Erie 2007: 921; Christiansen and Zhang 2009: 9).

Land has become more valuable than ever as cities have sprawled and industrial and urban land use has increased. Uncertain property rights and deficient land registration procedures facilitate land confiscation by local governments that lease the land to urban developers. On occasion, whole villages have been evicted from their land. Compensation is normally far below the value of the land after it has been converted for commercial purposes. Payment for land leases is a very important form of revenue for hard-pressed local governments with tight budgets, while control over land is a major source of patronage and corruption (So 2007: 570–571; Christiansen and Zhang 2009: 9; Li 2009: 6–7; Yep and Fong 2009: 70–73).

Grievances and conflicts: Pressure from below

There have been numerous popular protests against exploitation, corruption, discrimination, unemployment, evictions and environmental degradation in China. The number of 'mass disturbances' registered by the Chinese authorities has been markedly growing since the early 1990s, including a sharp rise after the 1997 public enterprise reform, from 12,000 in 1996 to 40,000 in 2000. The number of registered incidents reached 83,600 in 2005. Since then the authorities stopped publishing figures. However, CCP sources cite figures of 127,467 incidents for 2008.³ The major riots and demonstrations that took place from the turn of the century to 2005 were over issues of unpaid wages and pensions, irregular taxes, fees and tolls, land confiscation without proper compensation, pollution and corruption (Keidel 2006: 1–3; China Labour Bulletin 2009b: 6). More recently, there have been large strikes, demonstrations and other actions by migrant workers.

Political and social organizations that operate independently of the CCP are suppressed. Local elections are frequently controlled by elites, and key decisions are normally made by unaccountable officials at higher levels of government. Resistance is therefore mainly manifested at the local level through relatively spontaneous demonstrations, obstructions, strikes, petitions to higher-level government entities and, on rare occasions, court appeals (van Rooij 2009: 454–456). As noted by Vivienne Shue:

Suffering state-sector workers and peasants have been prone to frame their protests in localized and limited ways, taking as their protest targets not the architects of central reform policy but local ‘bad’ officials, ‘incompetent’ firm managers, and ‘heartless’ employers.

(Shue 2004: 29)

Peasants view the state in bifurcated terms. The central government is seen as a ‘benign’ authority. This vision has been further reinforced by Beijing’s initiatives since the turn of the century to restrict rural taxation and strengthen the legal protection of peasant landholdings. Local township governments are perceived as ‘malign’ because they impose heavy taxes and fees on poor inhabitants and dispossess peasants of land (Guo 2001: 435–437; So 2007: 571–572).

Workers also have a bifurcated view of the state. The benign character of the central government is demonstrated by its promulgation of labour laws, while local officials are viewed as corrupt and unfit to rule because they do not enforce the laws. Most labour protests are targeted at enterprise managerial cadres and their superiors in local industrial or labour bureaus, while they petition higher-level government officials (Lee 2007: 20–21).

Reform from above

The central government is concerned that local unrest will cause social and political instability. This has resulted in ‘[a] partial, limited and elite-driven... attempt to counter the unfettered market’s potentially destabilizing effects’ (Dong *et al.* 2010: 32). As argued by Elizabeth Perry, social unrest has served as a substitute for more democratic forms of representation to induce social reform:

Lacking elections and other democratic channels for conveying popular interests and grievances, protest in China provides valuable information to higher political authorities about pressing grassroots

concerns. Furthermore, the issues that motivate widespread protests sometimes lead to substantive policy reform. The central government's historic abolition of the 2,600-year-old agricultural tax in January 2006... came in response to a raft of rural tax riots – sparked by local officials' imposition of 'unfair burdens' – that had engulfed the inland provinces in the 1990s. Similarly, the newly enacted property rights law, which establishes villagers' rights to the ownership and benefits of collective landholdings, is a reaction to the recent surge in violent land disputes – triggered by the sales of village lands by local officials – that have swept the coastal provinces.

(Perry 2008: 214)

Social reform policies were driven by a new political leadership. The 'populist faction' within the Politburo with careers from the poor interior areas of China strengthened its position after the turn of the century. It favoured policy measures to halt China's growing inequality. President Hu Jintao and premier Wen Jiabao, who assumed office in 2003, are leading members of this faction, rivalling the 'elitist faction' from the coastal areas with close ties to China's centres of foreign trade and finance (Hung 2009: 13–14).

The central government also hopes to use the reforms to change China's model of accumulation. Inequality is an obstacle to the transition of China's growth model from reliance on exports and investment to greater emphasis on domestic consumption. Consumption is constrained by the high level of saving in the Chinese economy. China's share of savings in GDP is one of the highest in the world and correspondingly the share of consumption in GDP is among the lowest. Social inequality and reduced welfare lead to a low level of consumption and a high level of saving. High-income groups save relatively larger proportions of their income than low-income groups, and welfare cuts have resulted in a rise in the households' propensity to save to cover future costs. Inequality is also indicated by the strong growth of corporate profits relative to wages in GDP. Corporate saving has expanded in proportion with the rise in corporate income (Ma and Wang 2010). The government has responded with policies to boost consumption and reduce inequality.

By the late 1990s, the Chinese government had already initiated a Western development strategy ('Go West') in response to the Asian financial crisis. The government increased its investment in infrastructure programmes in the poor Western provinces. Investors were encouraged by preferential tax policies, and the banks were directed to

increase their lending to the regions (Fan *et al.* 2010: 9–10; Lu and Deng 2011). These policies were given a new boost with the onset of the international financial crisis in 2008. The government responded with a fiscal stimulus package, which mostly was allocated to large infrastructure investments in interior regions.

Since 2002, the central government has developed various national welfare programmes that have become increasingly comprehensive, including basic health insurance for urban residents, the re-establishment of the Cooperative Medical System in rural areas, free and compulsory nine years of schooling for all, rural minimum income guarantees, social insurance and pensions for migrant workers and housing for the urban poor (Wang 2008). In 2005, the National People's Congress adopted the 'harmonious society' slogan, marking a reorientation from economic growth to overall societal balance and harmony. This went along with a programme to 'rebalance' China's economy with policies aimed at expanding domestic consumption markets and improving living conditions in the countryside and in poor provinces (Lardy 2007).

Rural reform and labour rights are parts of this effort to reduce inequality and support consumption. In 2006, the government abandoned all agricultural taxes, and in the same year established a Land Superintendency tasked with ensuring that farmland confiscated by local authorities was sold at market prices and that compensation was based on its commercial value. In October 2008, the Central Committee of the Communist Party adopted a major land reform programme in which peasants will have the right to transfer, subcontract or lease land-use rights and to use their land as collateral in lending. Additionally, the supply of farming credits will be increased and improved. The intention is to create larger, more productive land holdings and increase agricultural investment while the rural surplus population is to be employed within service industries in small- and medium-sized cities and receive universal welfare rights (Fabre 2009: 12–13; Li 2009: 7–8).

Although most of the social policies are designed for either rural or urban residents, not the migrant population, the government has introduced a compulsory social insurance scheme for migrant workers which includes pensions, injury compensation, maternity leave, medical care and unemployment pension. However, this insurance system is only available to workers with written labour contracts. In 2008, a labour contract law made long-term written labour contracts mandatory. In addition, there were also new laws concerned with labour dispute arbitration and employment promotion in 2008 (Ho 2009; Wang *et al.* 2009; Chan *et al.* 2010). The government's reform programmes

look impressive. Implementation, however, is difficult and there is considerable resistance.

Limits to reform from above

As indicated above, China's rural reforms will both strengthen the property rights of farmers and facilitate the commercialization of land. It is, however, far from certain whether the central government will succeed in protecting peasant land. Land titles in China are highly uncertain and there is no independent judiciary. Moreover, it is the local authorities, the main beneficiaries of land confiscations, which are responsible for interpreting and implementing land laws, assessing land value and providing the relevant documents that give peasants the right to the land.

Additionally, if reform actually succeeds, it will probably create new rural inequalities with concentration of land and proletarianization. Labour migration from the countryside to towns and cities is then likely to increase and in turn rural migrants will be employed in urban services and receive welfare benefits. Thus these measures are expected to raise consumption. However, comprehensive welfare for migrants requires that the *hukou* residential system is reformed or abolished (Fabre 2009: 14; Li 2009: 11, 12, 17).

Hukou reform has been on the national political agenda since 2001, but with limited effect. An initiative to extend urban *hukou* rights to groups with stable urban residence and income by 2006 has not been implemented. In 2005, the central government launched an initiative to replace the distinction between urban and rural *hukou* with a new distinction between permanent and temporal residency. This reclassification has only been implemented in part. There is strong resistance from central government ministries and many local governments that fear increased public expenditure on welfare. *Hukou* reclassification has also been a counter reform to many farmers in semi-urban areas, having lost the rural subsidies and collective land-use rights that were associated with their rural *hukou*, thus becoming more vulnerable to confiscation by local governments (Wang 2010: 342, 350–351).

As for labour reforms, employers have applied various strategies to evade mandatory labour contracts. Workers have been pressurized to sign contracts in which the contract terms are not disclosed, or forced to resign before they can be rehired, thus losing seniority rights. 'New' companies have been set up in which workers have been hired on new terms. The use of part-time labour has increased as it entails

few contractual responsibilities. Many employers have increased their use of dispatch labour from employment bureaus to avoid contractual responsibility. The labour contract law has therefore indirectly increased labour market dualism between regulated employment in the formal sector and unregulated employment in the informal sector by labour bureaus and subcontractors (China Labour Bulletin 2009a: 18–19; Ho 2009: 93–94; Wang *et al.* 2009: 491–494; Chan *et al.* 2010: 51; Zhang 2010: 4–5).

Much of the resistance to the central government's reforms come from local governments that have strong inducements to prioritize accumulation over legitimation. As has been argued above, local governments' illegal taxation, land confiscation and preferential treatment of business are structurally rooted in the tight revenue constraints that have been imposed on them by the central government. This goes hand in hand with the centrally imposed system of cadre evaluation, which induces local cadres to maximize economic growth and revenue. For Beijing, this is a comfortable situation. Its legitimacy is strengthened by its removed position, while local governments serve as lightning rods. The reforms may, however, falter without a thorough redress of relations between central and local governments.

The cadre evaluation system uses social order and political stability, as measured by the absence of mass incidents as a performance criterion (Zhang 2010: 6). Local cadres are therefore vulnerable to unrest. Their support of accumulation to generate revenue must be balanced with some degree of stability and legitimacy. Thus, a survey of labour conflicts in 2007–08 by the *China Labour Bulletin* indicates that government officials frequently stepped in at the early stages of a labour dispute in order to mediate and avoid escalation while also partly addressing the workers' grievances. For example, it was common to compensate for at least some part of outstanding wages in cases where the employer had disappeared (China Labour Bulletin 2009a: 42).

Nevertheless, the central government's attempt to promote reform in a setting where local governments are at best lukewarm about the reforms is vulnerable. It is likely that reform 'from above' will require some support 'from below' from groups outside the local party state that benefit from the reforms. Feedback from workers, farmers, urban dwellers and others is needed to monitor non-implementation or violation of the central government's reforms, and to improve upon them. This will require collective organization with some degree of autonomy from the local state party–business nexus. Tendencies in this direction are seen within China's labour relations.

Labour reform from above and the mobilization of workers from below

There are differing assessments of the power of labour in China. Ching Kwan Lee is relatively pessimistic in her study of workers in state-owned enterprises in China's northeast 'rustbelt' and migrant workers in the 'sunbelt' in the south. She argues that labour mobilization is frequently strong within work units, while broader labour activism across work units is constrained by official suppression and the segmentation of workers. Labour is isolated from alliances with other classes or civil society associations and has to contend with a strong alliance between government and business. Workers put their trust in a legal system that is biased towards their employers (Lee 2007).

Beverly Silver and Lu Zhang are more positive about the strength of Chinese labour. Silver has previously argued that international relocation of major sectors of manufacturing, such as automobile production, has induced defensive 'Polanyi-type' labour activism in old 'sunset' centres of production (comparable to Lee's 'rustbelt') aimed at resisting redundancies and declining standards of living that threaten customary livelihoods. Expansion in new 'sunrise' manufacturing centres (comparable to Lee's 'sunbelt') has gone hand in hand with assertive 'Marx-type' labour activism, which is oriented towards improving working conditions and wages. Sunrise capitalists are forced to make concessions to their workers, and wages are increased. Eventually, production is relocated and the cycle is repeated (Silver 2003). Silver and Zhang regard Chinese labour activism in the late 1990s as mostly defensive, Polanyi-type sunset area responses in state-owned enterprises. Labour conflicts since 2004 are seen as assertive, Marx-type activism within new sunrise centres of manufacturing along the coast (Silver and Zhang 2009: 175).

Labour shortage has played a significant role in empowering China's workers. As argued earlier, the period from the mid-1990s until 2002 was characterized by declining employment within manufacturing. Manufacturing employment began to rise again after 2002 from 101 million by yearend 2002 to 113 million by yearend 2006 (Banister and Cook 2011: 41).

The inflow of foreign direct investment since China joined the World Trade Organization (WTO) in 2001 led to increased demand for manufacturing labour in coastal areas of China. Meanwhile, the central government and some local governments initiated policies to raise farm income through tax reductions and subsidies. These policies, along

with the coming of age of China's one-child generation (introduced in 1978), reduced labour migration from the countryside. The average nominal hourly wages of workers within manufacturing doubled in 2002–08. Real wage increase was limited by inflation, but there were still significant increases (Banister and Cook 2011: 45, 49; Hui 2011: 140).

The implementation of the labour contract and labour arbitration laws in 2008 coincided with a sharp drop in employment due to domestic problems and the international financial crisis. Manufacturing employment fell from 113 million in 2006 to 97 million in 2007 and stood at 99 million by yearend 2008. The number of labour arbitration cases rose from 350,000 in 2007 to 693,000 in 2008, while the number of workers involved increased from 650,000 to 1.2 million. Labour-related law suits nearly doubled (China Labour Bulletin 2009a: 14; Banister and Cook 2011: 41).

Arbitration councils and courts frequently favour employers. Local authorities in China's sunbelt have, however, been strict in enforcing the labour laws. The city governments of Shenzhen, Guangzhou and other export manufacturing centres in the Pearl River Delta have adjusted their industrial policies to promote high-tech, value-added production. They wish to dispense with labour-intensive, low value-added manufacturing production that faces tough competition from low-wage countries such as Vietnam and Indonesia. Low value-added manufacturing is also regarded as a cause of public disorder due to the extensive use of migrant labour. Stricter law enforcement has given workers more leverage to push their demands. Low value-added manufacturing is relocated to the interior of China or abroad. Relocation to the interior benefits from investment support under the central government's 'Go West policy' (Ho 2009: 88).

In November 2008, the government introduced a major stimulus package oriented to infrastructure investment and domestic demand that was quite successful in seeing China through the crisis.⁴ The government also introduced a freeze on minimum wages in response to the financial crisis. China's economy began to recover during the third quarter of 2009 and manufacturing employment grew. The government's extensive support to the interior of China through the stimulus package created new local job opportunities that reduced labour migration to the coast, which has resulted in a shortage of skilled and semi-skilled workers in China's coastal export centres (Hui 2011: 140). From the second half of 2010, local governments began to raise minimum wages. The 12th Five-Year Plan of October 2010 stated as one of its objectives that the share of consumption in output should grow and that labour

income should increase at least as fast as labour productivity. According to the government's employment market plan of February 2012, minimum wages should grow at least 13 per cent every year until 2015 (China Labour Bulletin 2011: 6–7; Hui 2011: 141; Naughton 2011: 3; China News Center 2012).

The minimum wage increases of 2010 came after a wave of labour conflicts in the manufacturing centres in the South. The *China Labour Bulletin* suggests that the central government was favourably inclined to this pressure from below, as its project of boosting wages faced stiff resistance from employers (China Labour Bulletin 2011: 35).

A new generation of migrant workers has emerged that are more assertive than their parents. Many of them work under poor conditions, but high-skilled, relatively well-paid workers have also taken part in collective labour conflicts. In May 2010, more than 1800 workers at the Nanhai Honda component factory went on strike. This was followed by strikes in another Honda component factory and several other automakers. The Nanhai Honda strike lasted for two weeks and cost the company up to 2.4 billion RMB (about USD 350 million) a day. The Honda strikers claimed that the enterprise branch of the official All-China Federation of Trade Unions (ACFTU) had sided with management and demanded that trade union representatives should be elected. Eventually, ACFTU members used violence against the strikers (Estlund and Gurgel 2011: 19–21; Hui 2011: 137–138).

The Nanhai Honda strike was a Marx-type labour action, which was oriented to offensive economic interests and which succeeded in obtaining a significant wage increase. The strike was followed by a public debate about the purpose and role of the ACFTU, the only officially recognized trade union in China. It was originally based in China's SOEs, but over the past years it has worked to unionize the private sector. The union is controlled by the CCP and its officials are normally chosen from the Party. Officials within enterprises are normally unelected and financed by the enterprise themselves and are frequently recruited from management. Thus, the ACFTU within enterprises typically serves the management, while its hierarchy outside the enterprises serves the CCP (Estlund and Gurgel 2011: 26–28, 37).

In July 2010, the Executive Committee of the ACFTU adopted several resolutions on 'further enhancing enterprise trade union work', including resolutions about democratic intra-enterprise elections of trade union chairs within enterprises and collective bargaining. This may be seen as an attempt to win back territory after the Nanhai Honda strike. Moreover, there have been experiments with (limited) forms of union

elections and collective bargaining in the 'liberal' provinces Guangdong and Zhejiang over the past few years (Estlund and Gurgel 2011: 25–26, 45–46, 49–51).

The ACFTU and the Ministry of Human Resources and Social Security are promoting a form of tripartite relations within the constraints of political authoritarianism. Significantly, government officials use the term 'collective consultation' rather than 'collective bargaining'. It is an open question as to how far the 'liberal', rich coastal provinces will go towards real interest representation by labour, and how many strings will be attached. It also remains likely that the gap between the labour regimes of these provinces and the provinces in the interior of China will grow as the latter becomes hosts to China's sweatshops. The ongoing changes in China's internal manufacturing product cycle and division of labour will then be accompanied by diverging labour regimes.

Concluding remarks

I have argued that the inequality and destabilization caused by China's market reforms have forced the central government to undertake social reform to stabilize the political and social order and reorient China's model of accumulation. Social reform from above by the central government is, however, a highly contradictory process, as China's growth dynamic has to a large extent been based on the devolution of political power to local governments and strong alliances between local governments and businesses. Local governments and businesses will frequently oppose, stall or distort the implementation of the central government's social reforms. I have discussed labour relations in order to indicate how this stalemate might yet be interrupted through popular protest and mobilization from below. To some extent, reform from above and popular mobilization from below may reinforce one another, but there is a long way to go. Mobilization from below is restricted by China's authoritarian order, while uneven capitalist development creates differing regional conditions for empowerment and mobilization.

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Notes

1. Before 1998, children inherited their mother's *hukou*, thereafter they could inherit the *hukou* of either of their parents. When both parents have a rural *hukou*, their children will still be deprived of urban *hukou* rights.
2. At the time of writing of this chapter (February 2012), it is widely argued that these bubbles are about to burst. Some fear that property prices in China's major cities will collapse.
3. It should be added that the figures are unreliable due to the vague definition of 'mass disturbance' as 'any kind of planned or impromptu gathering that forms because of "internal contradictions", including mass public speeches, physical conflicts, airing of grievances or other forms of group behaviour that may disrupt social stability.' See Freeman (2010).
4. The stimulus package entailed large credit creation, which reinforced China's problems of over-accumulation. More recently the central bank has attempted to tighten monetary policies to deal with these problems.

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7

Globalization and Democracy: The Equivocality of a Relationship

Neera Chandhoke

Introduction

Globalization must be one of the most intellectually stalked, intensely observed, comprehensively analysed and perhaps over-researched processes in recent academic history. One would have thought, therefore, that some of the crucial issues that globalization has catapulted to the foreground of political debate and discussion would have been subjected to some degree of conceptual clarification. Yet it is not even clear how it affects politics and what the chances are of initiating potentially transformative politics of well-being, a major theme of this book.

This is perhaps not surprising, for if in many circles globalization has been viewed as the one remedy for the ills of the Global South, in others it has been disparaged as the very source of these many ills. The prime defender of globalization, Jagdish Bhagwati (2003) prefers to see globalization as the key to emancipating humanity from ill health, economic backwardness, underdevelopment and ill-being. Economic globalization, he argues, not only offers economic prosperity to those who hasten to take advantage of the opportunities it presents but also advances a number of social agendas. For these and related reasons, runs the argument, globalization is likely to produce the best as distinct from generally good results, provided that institutional mechanisms that can cope with the occasional downside can be put in place and transitions to globalization can be managed (Bhagwati 2003: 222–223).

For these and related reasons, the state in the developing world has every reason to embrace the process with a degree of fervour, provided that it can manage the transition to globalization, and establish appropriate institutions for the purpose. This commitment to globalization,

and to an outward-looking economic strategy for countries of the developing world, is shared by a number of mainstream economists who exhibit a somewhat touching faith in the ability of the market (but-tressed by the right set of institutions) to put right what has gone wrong by reasons of an interventionist state (Bhagwati and Calomiris 2008).

Critics mount an equally powerful case against globalization. Reiterating the insights of neo-Marxists, or what came to be known as the dependency school that swept academia in the 1970s, a number of scholars trenchantly point out that the globalization of capital, trade and commodities in a highly unequal world will prove nothing less than suicidal (Petras and Veltmeyer 2001; Patnaik 2003). Dismantling trade tariffs inevitably leads to an erosion of economic independence and de-industrialization, de-skilling, impoverishment and inequality. The Marxist economist Prabhat Patnaik suggests that surrender to globalization will result in relative economic stagnation and increased income inequalities, a worsening of poverty, a loss of economic and political sovereignty and an implicit attenuation of democracy. The current phase of imperialism, he concludes, entails a general tendency towards stagnation (Patnaik 2003: 42, 63, 102, 162).

Globalization plainly evokes as much enthusiasm as it elicits disparagement. It is not therefore surprising that the debate around the process is embedded in hyperbole and prone to overgeneralizations. The problem is that all this hype elides a number of significant issues that need to be addressed, such as what is the exact impact of globalization on the developing world in general and what is the space for transformative politics in particular. The jury is still out on these questions and the answers still uncertain, still hesitant. Much of the uncertainty that surrounds the debate on globalization arguably stems from the tendency to reduce politics to economics, or more precisely to the regime of capital that presumably sculpts the world in its own image. Yet the march of capital, however relentless it might be, is not all that smooth or unhampered in all cases.

Consider for instance that different countries have responded to globalization in different ways. China and India seem to have benefited from the set of processes we term globalization. In the context of India, Arvind Panagariya suggested that:

[O]pening the economy to the world markets and subjecting it to greater market discipline has been at the heart of the success India has achieved to date. While the reforms under Rajiv Gandhi gave rise to the growth spurt in the late 1980s, it was the systematic reforms

of the early 1990s that helped accelerate the growth rate to 7.1 per cent during 1993–94 and then sustain it at the 6 per cent level over a longer period of time.

(Panagariya 2008: 108)

Other countries, particularly those belonging to the Sub-Saharan African region, appear to have lost out completely. The 2010 UNDP Human Development Report was to observe that Sub-Saharan Africa has the highest incidence of multi-dimensional poverty, with the level ranging from a low of 3 per cent in South Africa to a massive 93 per cent in Niger.

Moreover, though it is generally agreed that India has somewhat benefited from globalization, some regions seem to have profited from it while others lag far behind. Evidently, some countries, and some regions within countries, have been able to take advantage of the opportunities offered by globalization. They have also been able to negotiate the constraints embedded in the process with some skill and dexterity. Others have simply not been able to do so.

The interesting question then becomes ‘what are the reasons for the uneven response to globalization across the Global South?’ Alternatively, are the experiences of southern countries that have successfully negotiated globalization generalizable? Perhaps not, because as the record of the developing world in the last 25 years shows us, the ability of a state to profit from globalization and open up opportunities for modest yet transformative politics is dependent on a number of historically specific factors such as processes of capital formation, industrial and agricultural development, expansion of infrastructure, technological advances, labour laws, accumulation of professional skills, regulatory regimes and flexibility, all of which build up capacity to respond to new challenges. Additionally, whether a country can or cannot benefit from globalization depends on the position of the country in the global system of markets, capital transactions, trade and information flows, and systems of communication. The ability of developing world countries to [0]negotiate globalization and sustain attempts at transformative politics depends to a large extent on the policies they have adopted in the past or upon the roads taken or not taken. It follows that the ability of a state to negotiate processes of globalization appears to be *country specific*. It would be therefore rash to reduce the political to the economic.

It is precisely reductionism that I wish to challenge in this chapter. In particular, I wish to highlight the semi-autonomy of the political by investigating the complex of factors that mediate between globalization and the capacity of the state to ensure the well-being of its citizens and

PROOF

Neera Chandhoke 151

open up channels for transformative politics. Although the concept of well-being is indeterminate and can be expanded at will, in this argument I see it in minimal terms, namely the right to basic material goods. These basic goods, notably health, education, income, housing – and more importantly the rights to these goods – are absolute preconditions for living a life that is distinctively human. The idea that people have a right to well-being is significant because it marks out the state in which people have rights as a democratic state. This needs to be registered because non-democratic states have also provided the preconditions of well-being to people within the territory, but *not* for reasons of right.

That said, I am not for a moment underestimating the power of globalizing capital. In a capitalist society the dominant institution of the market shapes both public and private transactions as well as institutions. But does it then logically follow that the function of the state as the codified power of the social formation is only to provide the legal, the juridical and the policy framework for the production and reproduction of capitalism (as distinct from the reproduction of particular capitalist classes)? Or does the political occupy a distinct domain, neither far removed from the economy nor reducible to the economy?

The concept of the political refers, firstly, to struggles and contestations over the complex of rules that establish the framework for multiple transactions in a society. Since modern societies are marked by (a) scarcity of resources and (b) imperfect altruism, transactions have to be regulated according to certain rules in the sense of norms. These rules have to be palpably just in at least two senses: human beings are to be given what is due to them by virtue of the fact that they are human and these rules should not discriminate against persons on grounds that are morally arbitrary. If these normative rules are seen to be unjust or less than just, that is if they do not meet the requirements of normativity, they are likely to be challenged and subjected to deep contestation. It is precisely here that the space for transformative politics opens up in the sense of attempts to rework political rules and direct them towards fairness.

Secondly, the political refers, and primarily so, to the state, simply because the institution is a condensate of power. Power is drawn from the society that is politically organized in the state. But the state, by codifying and negotiating between all sorts of power equations, possesses a distinct and an irreducible specificity. However, power equations are not frozen in time, because the negation of power is built into power itself. In other words, power is likely to be contested. As coalitions and networks in a democratic civil society will inevitably target rules or at

least those rules that are palpably unjust, the state becomes a site for, as well as the subject of, these struggles (Chandhoke 1995: 65). And this prevents the democratic state from pursuing or defending only one project, say globalization of capital, however tenacious the dynamics of this project might be. The hallmark of a mature state is the capacity to arbitrate between, as well as balance, contending projects of power.

This is particularly true of the state in times of globalization. As we shall see, the desired withdrawal of the state from the economy, as well as from activities such as providing social goods to citizens on non-market principles so that the field is left free for the hegemonizing regime of capital, has not been completely successful. A number of struggles in civil society or the space of social and political mobilization for rights outside the space have challenged the neoliberal assumption that people can be thrown on the not-too-tender mercies of the market for their own reproduction. Many of these struggles are over the proper role that a state should be playing in the individual and collective lives of its people.

This chapter suggests that a complex of factors, some historical and others completely political, have mediated the impact of globalization upon the state. The identification of the mix of these factors was undertaken by a research project upon which much of the argument below draws. The project, 'Globalisation and State Capacity in India' (2004–2007) consisted of three components: (a) studies of social policy at the national level, (b) an all India survey on citizens expectations of the state and (c) studies of selected states. The findings of the third component of this project provide the warp and the woof of the main body of this chapter below. The empirical reference for this essay is India, but the wider objective is to address a particular issue that arguably 'stalks' much of the debate on globalization: can the political, and thus the possibilities for transformative politics, be read off quite so easily from the economic? If not, what are the complex of factors that mediate the logic of economic globalization and the capacity of the state to ensure the well-being of its citizens?

Globalization and the state in India

In his defence of globalization, Bhagwati wonders whether:

[...] many of the young sceptics of capitalism are aware that socialist planning in countries such as India, by replacing markets system wide with bureaucratically determined rations of goods and services,

PROOF

Neera Chandhoke 153

worsened rather than improved unequal access because socialism meant queues that the well-connected and the well-endowed could jump, whereas markets allowed a larger number to make it to the check-out counter.

(Bhagwati 2003: 15)

'[T]oday's most dramatic change' he adds:

[...]is in the degree to which governments have intervened to reduce obstacles to the flow of trade and investments worldwide. The story of globalization today must be written in two inks: one colored by technical change and the other by state action. In fact, even the early postwar hostility towards global integration in many of the poor countries has [...] yielded steadily to the embrace of globalization.

(Bhagwati 2003: 11)

The break is not, however, as clear as the above passage suggests. The very moment in which India opted for globalization, that is 1991, was also the time when the first Human Development Report (HDR) was launched by the UNDP in 1990. The 1990 report reflects increasing concern over the effects of globalization, and the 2010 report reiterates the message of the first report:

Human development is a process of enlarging people's choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect—what Adam Smith called the ability to mix with others without being 'ashamed to appear in public.'

(UNDP 2010: 12)

In other words, the HDR emphasizes that the state is charged with the task of ensuring human development. The role of the state in providing well-being to the citizens was emphasized in the World Bank's 'World Development Report: The State in a Changing World' (1997). This special report held that efficient development is well-nigh impossible without the state playing a direct role in the process, and that there can be neither economic nor social development without a good government. The report notes rather sharply that 'A state that ignores the needs of large sections of the population in setting and implementing policy is not a capable state' (1997: 110). The World Bank Report marked an important shift in international policy inasmuch as it highlighted the

central responsibility of the state in regulating economic globalization *and* in providing the basic preconditions of well-being to its citizens. The UNDP HDR 2011 reiterates this finding, observing that:

Generally, markets are very bad at ensuring the provision of public goods, such as security, stability, health, and education. For example, firms that produce cheap labour-intensive goods or that exploit natural resources may not want a more educated workforce and may care little about their workers' health when there is an abundant pool of labour.

(UNDP 2011: 5)

Thus, by implication, the task of providing health and education, *inter alia*, falls within the provenance of the state.

This shift in the rhetoric and strategy of globalization was a response to sustained protest movements across the world that led to the invention of the phrase 'global civil society'. In 1999, at the 'Battle for Seattle', huge numbers of organizations, activists, students, environmentalists, trade unions and owners of national capital mounted a serious assault on the World Trade Organization. Activists presented to the world an alternative to a greedy, grasping capitalism that brought both the globalization of a crisis at the end of the 1990s and untold miseries to people across continents. A capitalist order had been forged and it was seen to be palpably unjust. And this bred resentment and anger. The leaders of the capitalist world could only ignore the media coverage of these protests at their own peril. Consequently, in the 1990s we were to see a radical shift in the rhetoric of globalization: the replacement of the language of the market by that of governance, accountability, transparency, democracy, eradication of poverty and the indispensability of the state. One of the offshoots of this particular turn in international policy was that the state was 'brought back' in as central to collective life. Both the globalization of a crisis and the politics of protest in global civil society mediated the relentless expansion of the globalization and the neoliberal project.

In India we see the same contradictory trends. The model of state-sponsored socialism began to unwind in the 1980s when the government began to liberalize the economy and dismantle controls over substantial sectors. These processes were intensified in the 1990s when India opened its doors to global capital (Kohli 2006a and 2006b). Yet whether this entailed a withdrawal of the state from the social sector is debatable. The picture is far more complex.

It is true that under the regime of globalizing capital the Indian state has withdrawn subsidies from the farming sector, and this has resulted in a serious agrarian crisis. According to one research study, 150,000 farmers committed suicide in India between 1997 and 2005, mainly by consuming pesticide. Two-thirds of these suicides occurred in the four highly globalized states of the Indian Union: Maharashtra, Andhra Pradesh, Karnataka and Madhya Pradesh. In the past, the Indian government had cushioned Indian farmers against the problems endemic to Indian agriculture, such as lack of irrigation and degraded land. Today, under the direction of global institutions, public investment in agriculture has dried up and bank credit has been curtailed. The tightening grip of large multinational corporations over inputs has led to a steep escalation of prices. As a result, cultivation costs in these high input zones have shot up, Indian farmers have been rendered even more vulnerable to a market increasingly shaped by the policies of global institutions and indebtedness has increased considerably (Sainath 2007).

Paradoxically, however, the state has at the same time introduced social policies that are fairly new on the anvil, such as the National Rural Employment Guarantee Act that demands a high degree of public spending. The government is simultaneously committed to globalization (and its concomitant processes, liberalization and privatization) and to institutionalizing programmes that deliver the basic preconditions of well-being. This is mainly due to the recognition that the democratic state, dependent for its reproduction on electoral majorities, simply cannot afford to ignore popular opinion, and partly to pre-empt de-stabilizing protest.

In the 2004 General Elections, the Congress party, seeking to come back to power, observed in its manifesto that 'liberalization and globalization can be meaningful only if they are aimed at local-level economic and social transformation that directly benefits the poor'. The manifesto committed the party to employment generation, favoured an agriculture-first policy, promised a rise in investments in education and health, held forth the idea of selective privatization and charted out a strong role for the public sector. Some of these promises were incorporated into the Common Minimum Programme adopted by the Congress-led coalition that came into power in 2004, the United Progressive Alliance. Notably, for the first time in the history of post-independence India, the state took cognizance of the rights of workers in the unorganized sector. And it is precisely during the period of high globalization that civil society campaigns and judicial interventions have placed the right to work, the right to food, the right to education,

the right to health and the right to information firmly onto the agenda, to be enacted as policies and articulated as rights.

The paradox is that if greater integration into the world market has resulted in the liberalization of the economy, and economic reforms to offset the fiscal deficit, issues of social policy and of state responsibility for providing for the poorer sections of society have also been catapulted onto the political agenda with renewed force. This is not to suggest that India is in the throes of a social revolution amidst deep-seated economic transformations. The country remains one of the most unequal in the world, marked by pockets of poverty, women and child malnutrition and infant mortality. Moreover, the successes and the failures of the Indian state have been unequally spread across the country. Certain state governments have managed to deliver the basic preconditions of well-being to their people even if they are highly globalized. And other states have neither globalized nor ensured a modicum of well-being for their people. The question is, why?

Before embarking on this particular path of enquiry, let me register a caveat. Although the Indian state has been committed to social and economic rights since independence, and though this commitment is coded in Chapter IV of the Constitution of India, the historical record of the Indian state has been rather poor in this regard. Public investment in basic social sectors has been low compared not only to East Asian countries but also South Asian countries (Dev and Mooij 2005: 97). Further, the implementation of many programmes for social welfare has been both inefficient and inadequate, as well as marked by corruption and mismanagement. It would be irresponsible to put the blame for the grim record in sectors such as education and health onto processes of globalization alone, and thereby emancipate the state from non-performance.

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Globalization and social policy in selected states

The project, 'Globalisation and State Capacity in India' ranked selected states according to a globalization index. The globalization index looked at the state-wise per capita exports (value) 2002–03, state-wise per capita Foreign Direct Investments Approved value between 2000 and 2005 and state wise per capita migration (emigration clearances granted between 1993 and 2001). Thereafter, the project carried out intensive case studies of Tamil Nadu, Kerala, Gujarat, and Karnataka, which could be considered high globalizers, Punjab and Andhra Pradesh, which were middle globalizers, and Bihar, which could be considered to be a low globalizer.

The findings of the project indicate that no direct relationship can be traced between the degree of globalization, the commitment of the state government to ensuring well-being to its people and efforts to transform existing politics and policies. Some governments have managed to maintain their commitment to well-being *even though* they are highly globalized, such as Tamil Nadu. And some state governments seem to be weakly committed to securing the well-being of their citizens *even though* they are highly globalized, such as Gujarat. Notably, states with high human development indicators might or might not be highly globalized, or might or might not be states with the highest incomes. Kerala is a reluctant globalizer but performs best on literacy and infant mortality indicators. Punjab continues to rank highly on economic development, but the government withdrew from the social sector since the eruption of militancy in the state in the 1980s, and its record on social policy remains weak to date. Andhra Pradesh has benefited economically from globalization, but has been unable to secure livelihoods for its rural poor. The record of Karnataka is about the same as Andhra Pradesh. Until recently, Bihar had not attracted foreign investment, and at the same time it has not managed to deliver well-being to its people.

Let us therefore identify the mixture of factors that mediate the project of globalization by reference to three cases that were investigated by the project: Tamil Nadu, Kerala and Gujarat.

Tamil Nadu

Tamil Nadu is economically one of the better-off states of India, on par with the national rates of economic growth 2002–03 to 2007–08. It is also one of the most industrialized states and accounts for 11 per cent of the country's industrial output.

At the same time, it ranks just below Kerala on all indicators of social development, particularly nutrition, health and education. Tamil Nadu was one of the first states in India to implement the Midday Meal for children in the 1950s, which improved school attendance and reduced child under-nutrition. Larger numbers of girls now attend school, having been liberated from their gender-specific role of keeping house while their mothers work. Additionally, the state has broadened the reach of the Integrated Child Development Services. Compared to the national average, the state has a lower number of malnourished children. Interestingly, combating child hunger and malnutrition became priorities in the state some time before judicial interventions led to the adoption of similar measures in other states during the first decade of the 21st century (Chandhoke 2007: 183–184).

Tamil Nadu is the only state that has universalized the Public Distribution System (PDS). This has gone a long way in preventing malnutrition. Households are also entitled to kerosene, sugar, wheat and wheat products, pulses and palm oil at prices that are far below the market. The major task of getting rations to 1970 million households that draw upon 32,439 outlets involves technological innovations, foolproof delivery mechanisms, policing, reviews and fixing of responsibility at every level (Vydhanathan and Radhakrishnan 2010). The provision of reasonably priced food grains and old age pension schemes has been cited as important reasons for the decline in poverty figures. Poverty in the state is lower than the national average, and among the Scheduled Castes (SCs) and Scheduled Tribes (STs), two communities to which the bulk of the poor belong in the country, the incidence of poverty is lower than the national figure (IHDR 2011: 82).

The low proportion of malnourishment among women and children is one of the major factors why the state performs better on health indicators than the rest of the country, despite the widening inequalities in health care because of the entry of the private sector. Widespread access to health care, old age pensions, improved status of women, high gender ratios, a high presence of women in the work force and less gender bias in school attendance than the rest of the country have contributed to this. With regard to literacy, the state ranks just below Kerala (IHDR 2011: 84). Of all the states, Tamil Nadu spends the highest proportion of the state domestic product, about 10.2 per cent, on literacy. Admittedly a number of problems have been identified with the Tamil Nadu model of development, including a high rate of school drop outs and a concentration of employment in the informal sector. These factors, as analysts of the model remark, 'call for intervention in specific areas if human development levels have to move into the high level or in some cases in the middle level category. In comparison to the rest of the country on the whole, the state has achieved levels of human development which are superior' (Vijayabhaskar *et al.* 2004).

What are the mediatory factors that account for the Tamil Nadu model, which has managed to combine a high degree of growth under globalization with well-being? A number of factors may be identified, including first the distinctiveness of the anti-caste movement in the state, one of the most progressive in the country, which emerged in the early 20th century. The objective of the movement was to secure opportunities for all, to eradicate superstition and to promote education. The focus on education ensured that members of the backward classes did not stay confined to reservations in public jobs as in the

PROOF

Neera Chandhoke 159

rest of the country and were able to achieve a competitive edge in the professions.

Second, Tamil Nadu has the added advantage of being a well-administered state and has an efficient bureaucracy. Third, it has a dynamic entrepreneurial class that has been given a great deal of freedom and space in the state and which has facilitated industrial development. Additionally, considerable attention has been paid to infrastructure. Fourth, social development in the state has been achieved via two routes. As suggested above, the state has made considerable investment in the social sector. As a corrective to earlier trends in the 1990s, when capital expenditure suffered a degree of neglect because of the predominant share of pro-poor expenditure, the state government began to encourage pro-growth expenditure. Nevertheless, overall public expenditure on the poor continues to stand at 24 per cent of total expenditure. The other route lies through what, for want of a better term, can be described as populism, even as we acknowledge that the term cannot capture the gist of the reciprocal transactions between politicians and the citizens. Both the regional political parties, the Dravida Munnetra Kazhagam (DMK) and the All India Anna Dravida Munnetra Kazhagam (AIADMK), tend to outbid each other when it comes to the elections. In the run up to the 2006 state assembly elections for example, the DMK promised cheap rice, free colour television sets, gas stoves and subsidized gas connections to the poor, a waiver of all crop loans, wasteland development projects, higher nutrition for school children through the midday meal system, bicycles for school girls, assistance for marriages of girls from poor families, social security for farmers, unemployed labour and youth, restoration of benefits to government employees that had been withdrawn by the government, and various other welfare schemes for the backward castes and the Scheduled Castes and Tribes. The party won the elections. It subsequently committed that 35 per cent of revenue expenditure would be allotted to social services.

In 2011 the AIADMK came back to power. The DMK had spent huge sums of money in redeeming its election promise of delivering free television sets to the poor and had also distributed medi-claim cards to people below the poverty line, but it was defeated. It is generally argued that since central ministers belonging to the DMK were involved in a number of sordid scams, this went against the party. But the AIADMK also outbid the DMK in populism by offering free grinders, food processors, fans, free rations of rice, milk and mineral water and free gold for the weddings of daughters of the poor.

A fifth factor is the politicization of the electorate. The role of the electorate in setting the terms of the electoral agenda and of the globalization project is of crucial importance. In 2001, the AIADMK government admitted that the state was facing a severe financial crisis and that a resolution would require strong corrective measures. The 2001 White Paper on Tamil Nadu's finances attributed the gross financial deficit of the state to a decline in revenue receipts without a concomitant reduction in the growth of revenue expenditure. It was admitted that the fiscal crisis might not only reverse the socio-economic gains made by the state in the past but also affect the capacity of the government to discharge its basic obligations to the citizens. Yet the schemes that came under fire include the Universal Public Distribution System that was subsequently converted into a targeted one for the poor and the needy, untargeted power subsidies to farmers, transport subsidies, the public sector and the provision of free clothing. Notably, the White Paper did not recommend that expenditure on the social sector should be reduced. In 2003, several measures were introduced, the most drastic of which was the termination of the services of a large number of government employees, including school teachers, who resorted to a strike in 2003.

The strike and the generalized resentment that followed on the cut-back in government employees and the transformation of the PDS to a targeted one was the harbinger of significant changes. The AIADMK suffered a crushing defeat in the 2004 parliamentary elections. In 2004–05, the government publication 'Achieving Fiscal Correction and Stabilisation' admitted that some of the reforms had to be rolled back because of political protest and electoral defeat. Financial adjustment, the document conceded, had given way to political resistance, which was particularly strong when it came to the imposition of levies. In the meantime, the entire mode of representative politics had been transformed at the centre in the parliamentary elections of 2004. The previous alliance led by the Bharatiya Janata Party (BJP), which had coined the phrase 'India Shining', was defeated and the Congress, which fought the election on the platform of the *aam aadmi* or the 'ordinary individual', came to power in alliance with like-minded parties.

The victory of an agenda that catered to the needs of ordinary individuals changed the terms of electoral engagement. Following the defeat of the AIADMK in the parliamentary elections, free and subsidized power supply was restored to the farming sector in Tamil Nadu, the PDS was universalized, electricity tariffs were reduced and bus passes were also restored. That the restoration of all manner of subsidies adversely

impacted the goal of financial stabilization was admitted by the Finance Secretary of the government of Tamil Nadu at a government-sponsored conference. He admitted that it was not easy to convince the political leadership to adopt austerity measures if these were to result in electoral defeats, particularly as the next elections to the state legislative assembly were slated for 2006 (*The Hindu*, 8 October 2004).

Kerala

Compared to Tamil Nadu, Kerala was a reluctant globalizer because of widespread resistance to liberalization, privatization and the ideology of neoliberalism (Jeromi 2005: 3267). Despite slow rates of economic growth until the middle of the first decade of the 21st century, it managed to provide the basic conditions required for the well-being of its people, partly because of the remittances from migrant labour to the Gulf States. Predictably, the coexistence of high levels of commitment to the social sector and slow economic growth led to a fiscal deficit that grew throughout the 1980s and reached alarming proportions by the 1990s. Unemployment among educated youth reached high figures in 2000, and the poor growth performance of the commodity-producing sectors resulted in a slowing down of income generation. Redistributive strategies in the state had reached their limit. This caused civic and political activists to convince the Left Front government to support the introduction of the world famous people's planning campaign in 1996 in order to boost production by way of democratic decentralization and extensive popular participation. The immediate results were mixed, however. When the United Democratic Front (UDF) came to power in 2001, it claimed that it faced a major financial crisis. The White Paper prepared by the government on the state of finances emphasized the revenue deficit, the increase in public debt as a proportion of the domestic product, growing reliance on debt for financing current expenditure, an unsustainable salary and pension bill and debt servicing. This became a major argument for the UDF government to try to revive market forces through the adoption of a stabilization programme to correct financial lapses. The objective was to encourage private investment and to create an atmosphere conducive to technological change and institutional innovation. The government also focused on modernizing the administration, protecting and building on at least some of the social gains of the state, redefining the core of the government by focusing on supposedly core functions and services, and restoring the finances of the state to levels close enough to what the state can ideally achieve in revenue generation and expenditure

management. However, no attempt was made to suggest or enact a policy that would dismantle big bureaucracy or change policies of state intervention.

Adjustments to the economic policy achieved results which were further enhanced by the new Left Front government that came into power in 2006, due in particular to the social implications of the UDF policies and widespread abuse of power. Spectacular results were apparent by 2007–08 and then continued; the economy was on a high growth path. The state achieved higher levels of per capita income than the national average (IHDR: 64). Poverty declined to the lowest figure in India. But the state has a high proportion of urban poverty and is marked by inequalities. The proportion of poverty among the SCs (22 per cent) and STs (44 per cent) in the rural areas is much higher than the average figures of poverty – which is 15 per cent. On the whole, the state has achieved high indicators of social development, such as infant mortality, literacy and life expectancy. These compare favourably with those of several developed countries (IHDR: 65). In terms of health indicators, the performance of the state is the best in the country. Competent health care is directly related to the establishment of supportive infrastructure, high literacy rates, the mass media, social movements and a strong political will.

Kerala's success in ensuring well-being to a majority of the people is largely due to the interaction of two main factors. One, the goals of the Left Front government led by the Communist Party of India (Marxist) (CPI-M) have been institutionalized and are generally adhered to even when non-left parties are in power. The second factor is that Kerala possesses an active civil society. Social movements and campaigns have tenaciously fought for ensuring a dignified life. Much is made of the Kerala model which has gained reputation outside Kerala and India through the writings of Amartya Sen. The model is, however, not a planned one. It has evolved over the years through processes of creative interaction between governments and vibrant social movements that have concentrated on realizing the basic conditions of well-being. For example, the movement for health launched by the *Kerala Sastra Sahitya Parishad* (KSSP) pressed upon the government the need to enact policies that make health a right. More importantly, the KSSP has consistently argued that health has to be located within wider social realities: poverty, lack of proper food and an unhealthy living environment. It has consequently sought to raise public awareness through the establishment of health camps, the publication of documents on people's health and a stress on indigenous medicine.

The interaction between collective action in civil society, public campaigns and left parties has resulted in a package of redistributive policies that are focused on land reform, the imposition of controls on the cost of food and basic needs, public housing and free or inexpensive medical aid, expanded education services and a number of programmes aimed at increasing social and economic mobility among the poorest groups. An ambitious programme of land reforms, which was adopted in 1969, gave ownership rights to the cultivator tenants and homestead rights to hutment dwellers. This enabled transformations in health, literacy and a decline in birth and death rates (IHDR: 64) and was later followed by the world-renowned decentralization and people's planning campaign.

Isaac and Tharakan (1995) have pointed out that Kerala's experience has proven the general principle – that is, improvement in the standard of living of common people can only be realized after the achievement of high economic growth – wrong. Kerala has done well in terms of quality of life and human development indicators even when it lagged behind the other states in the south of India economically. The role of civil society is crucial in the case of Kerala, but even more crucial is the role of Left ideology in focusing on the quality of life for the ordinary human being.

Gujarat

In comparison to Kerala which has been labelled a reluctant globalizer, the one state that has managed to take advantage of the opportunities offered by globalization is Gujarat. Gujarat has traditionally possessed a strong industrial base and the government has, since the formation of the state, facilitated a high degree of participation by private players in the economy. The per capita income of the state is higher than the all India average. The state government has determinedly set out to profit economically from globalization. The 2003 industrial policy stipulated that the objective of the government was to establish the state as the front runner in global competition. Subsidies have, accordingly, been provided to business, percentages of sales tax have been reduced and exemptions in sales tax have been provided for. The state government has developed industrial parks and special economic regions, upgraded ports, encouraged foreign investment at concessional rates of taxation and offered land and infrastructural facilities to companies. Restrictions on purchase of agricultural land have been removed and strictures on conversion of agricultural to non-agricultural land relaxed. After 2000, the state domestic product in Gujarat escalated compared to the rest of India. During the period 2000–01 to 2007–08, agriculture and allied

sectors grew at almost 10 per cent per annum, and this was an important factor in driving economic growth (IHDR: 48).

But Gujarat's performance in poverty reduction and human development has been poor compared to other states that are growing at a lower rate. According to the Planning Commission, the state slipped from the 8th to 12th in the ranking of rural poverty and from 6th to 8th in overall poverty. Rural poverty is higher than urban poverty for all social groups. In the human development index the state slipped from 5th in 1996 to the 9th in 2006. In the health index the state slipped from 9th to 10th, while in the education index it slipped from 7th to 8th among the 20 major states in the country. According to the Global Hunger Index published by the International Food Policy Research Institute, India ranks 66 among 88 countries for which the index was prepared. Among the five worst performers are Gujarat, Bihar, Madhya Pradesh, Chattisgarh and Jharkand. Gujarat ranks 13 out of the 17 states for which the index has been prepared (Hirway and Shah 2011: 64). In term of gender ratio, with 916 females per 1000 males Gujarat falls well below the national ratio of 940 females per 1000 males.

According to all the reports, the health indicators for the STs are worse than those of other social groups in the state as well as the national average. Gujarat's literacy rate is only marginally above the national average, and it is extremely low in the tribal belt. 'To sum up, it appears that the high growth rate achieved by the state over the years has not percolated to the marginalized sections of society, particularly STs and SCs, to help improve their human development indicators' (Hirway and Shah 2011: 50). In sum, Gujarat has proved to be one state where social welfare has not proved commensurate with increases in rates of economic growth.

The significance of mediatory factors

Let me list synoptically the factors that have enabled or compelled states to deliver the preconditions of well-being to the people and allow for efforts at transformative politics even as they globalize.

A competitive two-party system

The first mediation between the two impulses, globalization and the delivery of social goods, is a competitive two-party system. Tamil Nadu is a state that has managed to combine a high degree of globalization with the delivery of the preconditions of well-being. The reasons for success in this field can be traced to the historical legacy of the anti-caste movement, a committed leadership and a well-functioning bureaucracy,

together with a politically aware electorate. However, the institutionalization of a two-party system has contributed to this success in more ways than one. Although these parties resemble each other in more ways than one as they are both essentially Dravidian parties, the leadership of each party tries to outbid the other, promising the electorate all manner of good things, ranging from bicycles to colour television sets. Viewed in this particular frame of reference, political expectations of the state in Tamil Nadu appear as a unique product of policies and political practices of the Dravidian parties that came into power in the late 1960s. This enables the electorate to make a choice between alternatives. In Kerala, which has a two-party system, both parties are committed to the goal of realizing human development for its citizens.

The political expectations of the electorate in Gujarat have been shaped by a very specific political context. Since 1995, the Bharatiya Janata Party has ruled the state and the other party, the Congress, has lost out completely. Since 2001, Gujarat has been ruled by one Chief Minister (CM), Narendra Modi, who is the longest-serving CM of any state. The problem is that a *de facto* one-party system does not allow for political choice and thereby does not compel the ruling party to heed popular expectations. That Gujarat has failed to ensure well-being despite being one of the richest states in India was accepted by the economist Jagdish Bhagwati. According to news reports, Professor Bhagwati told the officers of the state government that Gujarat's economic growth will lead to the development of the social sector, in which it still lags behind other states (*Times of India*, 2011).

High investment in the social sector

The second factor that can mediate the impact of globalization in favour of social policy is high investment in the social sector. Though Professor Bhagwati seems to assume that high growth figures translate into investment in the social sector, the proposition is debatable. Certainly, Gujarat does not seem to invest on a level that is commensurate with its growth story. In comparison to other state governments in India, Tamil Nadu and Kerala invest a high percentage of the state domestic product to the social sector.

States with high social development indicators might or might not be the states with highest incomes. This finding has been substantiated by the Human Development Report 2010. 'One of the most surprising results of human development research in recent years... is the lack of a significant correlation between economic growth and improvements in health and education' (HDR 2010: 4). Kerala is a reluctant globalizer but

performs best on literacy and infant mortality indicators. Gujarat is a high globalizer but lags behind on well-being. And Tamil Nadu achieves both goals – that of globalizing the economy as well as securing high social indicators. In Kerala, achievements in health and education are dependent more on the quality of these services, and the efficiency with which they are used, rather than on higher allocations of resources. This is remarkable considering that when the state of Kerala was constituted the Malabar region lagged behind Travancore and Cochin in terms of social development. By the 1980s the Malabar region had caught up with other regions, mainly due to well-directed state action.

A politicized electorate

Third, of crucial importance in holding a state responsible for well-being is a politicized electorate. In Tamil Nadu the electorate has responded fiercely to attempts to cut back funding to the social sector and reduce the number of government officials. The power of the vote has to be understood and used effectively by voters; this is particularly true of the electorate in India. However, it is equally true that voters require a two-party or a multiparty system in order to use their vote effectively. Where a particular party is led by a figure who is considered to be charismatic, such as Narendra Modi in Gujarat, or when he and his party, the BJP, succeed in mobilizing the electorate on grounds such as hyper-nationalism or what is called Gujarati self-respect or *asmita*, the electorate actually tends towards de-politicization. In sum, political choices, for this party over that party, are not a given. They are the outcome of historical processes. In other words, the shaping of political preferences takes place in the context of institutions that bear traces of their own history – ideologies, leaderships and actors that mould state–society relations. It is conceivable that political actors will behave differently in another situation. The contrast between Tamil Nadu and Gujarat is more than illustrative of this finding.

Political mobilization in civil society

A fourth and powerful explanation is political mobilization in civil society. The anti-caste movement, missionary activities and left movements in Kerala have assisted in raising human development and social security for the poor. Women have played an especially important role in these movements. But even as we acknowledge the important role played by civil society agents such as non-governmental organizations (NGOs) and civil society organizations in Kerala in foregrounding social and economic rights, representing interests and raising issues, and

thereby deepening democracy, the one question that confronts us at this juncture is the following: how much can the NGO sector achieve? For one, civil society agents are just not in a position to summon up the kind of resources that are required to emancipate citizens from poverty and deprivation. It is only the state that can do so through widening the tax net and by monitoring the collection of revenues. Second, NGOs can hardly implement schemes of redistributive justice that involve the transfer of resources from the better- to the worse-off sections of society. Third, the non-governmental sector cannot establish and strengthen institutions that will implement social policy. These tasks plainly lie outside the pale of civil society activism. NGOs can lobby for and mobilize people to demand social and economic rights. But ultimately the realization of these rights depends largely on the leadership's commitment to ensuring the well-being of the people.

In sum, a number of political factors mediate the relationship between globalization and the state's capacity to meet the needs of its citizens, particularly the poorer sections of society. Thus, it can neither be assumed that globalization is the one answer to the ills of the human condition, nor that it is the cause. Specific conjunctures of politics and history mediate the economic.

Conclusion

Even as we accept the proposition that globalization has had an enormous impact on economic, social, political and cultural processes in India as in much of the developing world, the idea that this process has had an adverse impact on the capacity of the state to deliver the pre-conditions of well-being to its people beyond repair can be questioned. However unrelenting be the sweep of globalization, the process has to interact with local histories and cultures, with legacies of the state and with legacies of what the state has to do for its citizens, with political imaginaries and with histories of struggles. That is why globalization has impacted different countries and different regions within countries in different ways.

Finally, the idea that in times of globalization the state either withdraws from social provisioning for its citizens or is reduced to being a facilitator of transactions by other agents just does not hold. Common sense rejects such simple-minded conclusions. Even in times of globalization, democratic states can hardly follow the mandates of the market and give up on human development, irrespective of (a) political coalitions within civil society; (b) of their own responsibility to the poorer

sections of society; and above all (c) of the paramount need to garner legitimacy and secure favourable electoral outcomes. Democratic states have to constantly produce and reproduce the conditions of their own legitimacy. This may even open up some space for transformative politics. Marx told us long ago that it is the task of the capitalist state to save capitalism from capitalists who seek short-term gains, by protecting the victims. We need to remember this lesson.

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PROOF

Neera Chandhoke 169

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Chapter 7

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8

Transformative Democratic Politics in Liberalizing India?

John Harriss

Introduction

India is widely recognized as having seen progressive liberalization of its economy over the past 20 or more years. Liberalization is commonly thought to have been launched in 1991 when the current Prime Minister, Manmohan Singh, who was the then Finance Minister in a recently elected minority Congress government, introduced what came to be labelled as India's 'economic reforms'. A good many scholars think that liberalization actually started well before this time, but there is no doubt of the symbolic significance of the reforms of 1991, in marking a decisive shift away from the highly regulated, interventionist 'licence-permit raj' that had been established in the 1950s. India's liberalization has been pursued very cautiously by successive governments, and reform has been much less far-reaching than many of its advocates have wished. Tariffs have remained – even now – relatively high, there continue to be restrictions on international investment in some sectors of the economy, such as the retail trade, privatization of state-owned enterprises has not gone nearly so far as the liberalizers would have liked and the establishment of a more 'flexible' labour market has still not been achieved. A strong case has been made as well, particularly by Atul Kohli (2012), that it has been 'pro-business' politics rather than 'pro-market policies' that have been more significant. Certainly the pursuit of economic growth as an end in itself, rather than broader development objectives, has taken precedence among senior political leaders from the major national parties, both the Indian National Congress (henceforth Congress) and the 'Hindu nationalist' Bharatiya Janata Party (BJP).

My aim in this chapter is to examine the responses to these developments in Indian society. How much scope is there in this context

for transformative democratic politics – for political agendas, strategies and alliances that may enable people to realize the development of their capabilities through democratic political practice? Are there any indications of the kind of counter-hegemonic politics that Karl Polanyi identified in his analysis of responses to the first great experiment in implementing economic liberalism, in Britain in the 19th century? The chapter is structured in this way. I begin by elaborating on the idea of a ‘counter-movement’ to economic liberalism that I (like David Harvey in his *Brief History of Neo-Liberalism* [2005]) take from Polanyi and then go on to explain what the outcomes of India’s economic reforms mean for the mass of the people. I continue by seeking answers to the basic question of what has been the response of different social classes to the reforms and their immediate outcomes. I finally describe a counter-movement that has been driven, however, very largely from above, by a fraction of India’s middle classes, and that seems rather to by-pass than to embrace democratic politics.

The idea of the ‘counter-movement’

Polanyi argued that ‘the political and economic origins of our time’ (the subtitle of his book *The Great Transformation*, 1944/1957/2001) were to be found in the ‘double movement’ of modern history. What he meant was that the attempt to make a reality of the ‘self-regulating market’ (‘the market’, indeed, of the elementary models of mainstream economics) entailed a counter-movement because it required that labour, land and money be treated as commodities. The counter-movement came about as people struggled against the commodification of their humanity as ‘labour’, and against the commodification of nature (‘land’), and because states, eventually, found that they had to protect business against the consequences of money, too, being treated as a commodity. Polanyi documents how, faced with the implementation of economic liberalism, people resisted having their labour – their human activity – treated as a commodity, by forming unions and pursuing a politics that promised regulation of labour markets; how others resisted the commodification of the environment and of their lifeways as agricultural producers, calling for and supporting protection of agriculture; and how states intervened to protect businesses against the effects of the treatment of money as a commodity, as it was under the gold standard. The contradictions brought about by ‘the double movement’ led eventually, Polanyi argued, to the world crisis of the mid-20th century. They were then resolved, for a time at least (though this was not part

of Polanyi's own analysis), in the settlement that was reached towards the end of World War II at Bretton Woods that established what John Ruggie called 'embedded liberalism' (1982), and that ushered in an era both of sustained and unprecedented economic growth and of the establishment of welfare states.

It is important to remark, in thinking about the relevance of Polanyi's ideas and analysis in the present, that he thought that 'class interests offer only a limited explanation of long-run movements in society' (2001: 159). It was not that he thought that class didn't matter, but rather that any class would only be an effective agent of change if it stood for more than its own particular interests. In his analysis of social and political change in 19th-century Britain, he argued that 'at one time or another, each social class stood, even if unconsciously, for interests wider than its own' (2001: 139) – for the protection of society, indeed, against the threats posed to it by the market. In this vein we may consider whether 'various economic strata' in India today have 'unconsciously joined forces to meet the danger' posed by liberalizing reforms (paraphrasing Polanyi 2001: 162). Before I embark upon this analysis, however, it is important to consider what the consequences of India's project of implementing modest economic liberalism have been for the livelihoods and well-being of the mass of the people. The reforms have, finally, resulted in the achievement of higher rates of economic growth than before, and from 2003 until 2010 the Indian economy grew at an average annual rate of about 8 per cent. What have been the outcomes of higher rates of economic growth for the well-being of the Indian people? We might expect that these outcomes have an important impact on political responses to liberalization.

The failure of 'inclusive growth'

'Inclusive Growth' was the theme of India's Eleventh Five-Year Plan, for the period 2007–12. It was said that 'The central vision of the Eleventh Plan is to build on our strengths to trigger a development process which ensures broad-based improvement in the quality of life of the people, especially the poor, SCs/STs,¹ other backward castes (OBCs), minorities and women' (Planning Commission 2008: 2). The Prime Minister, in his Foreword, wrote of the need to ensure that 'income and employment are adequately shared by the poor and weaker sections of our society' – but there is, unfortunately, a lot of evidence showing that this is not happening. There is no indication that sustained growth rates of 6–8 per cent per annum have created productive jobs at anything like

the rate required for 'inclusive growth'. There are even indications that there may be an inverse relationship between economic growth in India and employment generation, with the labour force expanding when the economy does less well, because people are compelled to take up even poorly remunerated employment, and these jobs then being shed in periods of more robust growth.

One of the most important facts about the Indian economy is that structural transformation is incomplete, in spite of years of high rates of economic growth – and India's 'transition to an enlarged and dominating sphere of capital in the economy' (Bardhan 2009: 31) is correspondingly problematic. The declining relative share of income from the agricultural sector has not been accompanied by an equivalent decline in employment in that sector – which now contributes less than 20 per cent of GDP (16 per cent in 2007–08), but still accounts for 55 per cent of all employment (Himanshu 2011: 47). So, with such a large share of its people depending directly upon agriculture, as the London *Economist* put it (13 March 2010: 15), 'the [Indian] government cannot achieve the "inclusive growth" it aspires to without robust progress in agriculture'. Yet, as Pranab Bardhan argues forcefully, 'the agriculture sector is in bad shape' (2009: 31), after a decade (1994–95 to 2004–05) of the lowest growth rates (0.6 per cent per annum, according to his calculations) since Independence. Agrarian distress – that it was virtually impossible in 2005–06 for households with operational holdings of two hectares of land or less (who account for all but a very small share of all the cultivators in the country) to earn an income sufficient for family survival – is reflected in findings such as those of the Foundation for Agrarian Studies from village surveys in Andhra Pradesh, Uttar Pradesh and Maharashtra. The net annual income from crop production of very many households was actually negative (Ramachandran and Rawal 2010). This would not matter, perhaps, if it were clear that rural people are able to find productive employment outside agriculture. Some are. But many are not, and there are increasing numbers of seasonal, circulating migrants – 60 to 100 million people according to some estimates – as they move to and fro between village homes and distant work sites where the employment they find is commonly characterized by vulnerability.

At the same time those depending on wage employment have not, generally, been able to find what might be called good jobs in the organized or formal sector, and the most dynamic and productive sectors of the economy. The *National Commission on Enterprises in the Unorganised Sector* found that the absolute numbers of protected 'formal sector' jobs actually *declined* marginally from 33.7 to 33.4 million between

1999–2000 and 2004–05 (Sanyal and Bhattacharyya 2009), though they may have increased again since then (Himanshu 2011: 56). It has been suggested that in India now a large share of the labour force – far from having been ‘included’ in economic growth – can be described as ‘excluded’, being unnecessary for the growth of the economy as a whole and surviving in a range of informal activities that are of only marginal significance for the dynamic, corporate sector (Sanyal and Bhattacharyya 2009).

Whatever one makes of this argument, the evidence now from the National Sample Survey does quite strongly support the idea that India has experienced ‘jobless growth’. The estimates contained in the report on the 64th round of the NSS for 2007–08, and then in those of the 66th round of 2009–10, confirm the misgivings of scholars about the limited extent of the creation of ‘good quality employment’ (*Economic and Political Weekly* 2010: 7). Total employment increased at a rate of only 0.17 per cent per year between 2004–05 and 2007–08 (the lowest rate of employment generation of the last three decades, and occurring in the context of very high rates of growth of GDP), and rural employment actually declined. The 66th round of the NSS shows that between 2005 and 2010, usual status employment increased by just 0.1 per cent per annum. In this period, the deceleration in urban employment (from a rate as high as 4.22 per cent per annum in 1999–2005 to 1.36 per cent in 2005–10) and the decline in rural areas (the rate was *minus* 0.34 per cent per annum in 2005–10) was accounted for largely by the sharp fall in female labour force participation:

What seems to have happened is that a large majority of women workers moved into the labour force during 1999–2005 and looked for work outside the home due to the agrarian crisis and distress in rural areas. And it is these women workers who have moved back into their homes as soon as the situation improved because of higher agricultural productivity.

(*Economic and Political Weekly* 2010: 7)

There is evidence, as Himanshu points out (2011: 56), that there is an inverse relationship between output growth and employment growth.

In this context, of the evident failure to realize the goal of ‘inclusive growth’, it is hardly surprising that there should be such strong indications that the quality of life of a very large share of the population has hardly, if at all, improved. Recent disputes over the extent of income poverty in the country, with alternative estimates for rural poverty from

different official bodies ranging from 28 to 80 per cent, remind us that the poverty line is an arbitrary benchmark (Dreze 2010). But that ill-being is extensive is shown by such evidence as that on the incidence of under-nutrition in children. According to the *Hunger and Malnutrition Report* published by an Indian NGO early in 2012, 42 per cent of India's children up to the age of 5 are underweight (Naandi Foundation 2012). The Prime Minister, in releasing the document, was moved to comment that this is a matter of national shame (*BBC World News* 10 January 2012).

What then have been the responses of different classes and social groups to economic liberalization in India and its distributive outcomes?

A 'counter-movement' to liberalization on the part of labour?

The story that Polanyi and other writers tell of 19th- and early 20th-century Europe traces the increasing power of workers as they became organized through trade unions, until eventually they succeeded in wringing major concessions from capital and the state in the form of extensive welfare legislation. Their struggle was significantly for the 'formalization' of labour – for rights to organize themselves and for protection, through legislation and regulation. Dietrich Rueschemeyer and his co-authors (1990) have shown, too, that in Europe, and elsewhere in the world, organized labour played an essential role in democratization. There is no doubt, historically, of the political significance of labour organization. But what of organized labour in India, in a context where more than 90 per cent of the labour force is employed outside the provisions of labour legislation, and where capital is more concentrated and politically powerful than it was in 19th-century Europe, or in India before the 1990s?²

Organized labour played a part in the struggle for independence from colonial rule (Chandavarkar 1998), but after the establishment of the new state it is generally thought that organized labour was effectively subdued by the ruling Congress party, responding to the conservative interests that it represented (Chibber 2003). Thereafter it has seemed to many observers that the trade union movement has been greatly weakened because of its fragmentation, which follows from the party political affiliations of the different trade unions. There are three major federations affiliated, variously, with the Congress: the Indian National Trade Union Congress (INTUC); with the Communist Party of India: the All-India Trade Union Congress (AITUC); with the Communist Party of

India (Marxist): the Centre of Indian Trade Unions (CITU), while the Bharatiya Mazdoor Sangh (BMS) – now the largest central trade union organization in the country – has links with the BJP.

Other parties, too, have their own trade union organizations. It has long been thought that these political ties of Indian trade unions encourage fragmentation, and conflict among them, and mean that unions often subordinate the representation of workers' interests to political goals (see, for example, Rudolph and Rudolph 1987, Chapter 10). These arguments have recently been critiqued by Emmanuel Teitelbaum (2006, 2011) who has shown how the notions both of fragmentation and of political interference have been overestimated. He has shown that 'The notion that India's labor movement faces severe collective action problems... [is]... a fiction perpetuated by a misinterpretation of government data [which include records of many non-functioning unions]' (2011: 170); while his data from surveys of senior managers in Kerala, West Bengal and Maharashtra show little evidence of political interference and a continued vibrancy of collective bargaining. Further, the focus in some of the literature on the weaknesses of the union movement draws attention away from the long-running assaults of successive Indian governments on labour rights – through policies that have encouraged precisely the 'informalization' of labour (Hensman 2010). The data presented by Teitelbaum do show, however, that the volume of industrial disputes in the country has been in steep decline since the mid-1980s. So how have workers responded to recent changes, faced as they are with the lack of or even with the loss of 'good jobs', with reduced protection, and with being pushed into greater dependence upon forms of employment that leave them more vulnerable – such as casual work, self-employment or low-paid regular wage work, perhaps as contract workers (whose numbers, as a share of all those in manufacturing employment have increased sharply: Nagaraj 2004)? How has the trade union movement (or 'movements', given the divisions that I have just described) responded?

Data on the incidence of industrial disputes during this period appear to reflect the weakness of organized labour, which declined sharply to below 1500 disputes per annum after 1992, compared to significantly higher numbers over the previous 30 years, with the exception of the period of the Emergency (Agarwala 2008, fig. 3). There have also been striking incidents of police repression of labour rights, the most serious of them in July 2005, against workers in a Honda plant in Gurgaon (Sehgal 2005). Praful Bidwai notes, too, that 'In the three-year period of 1994–96, lockouts [of workers by management, that is to

PROOF

John Harriss 177

say] on average claimed 85 per cent more person-days than did strikes. That disproportion further increased in the three years 2002–04 to 218 per cent' (Bidwai 2005: 110) – though this represented only the intensification of a trend going back into the 1980s (Nagaraj 2004: 3389). What seems to have happened, according to Supriya RoyChowdhury, is that industrial disputes have become increasingly company specific. 'What is absent', she says, drawing on her studies of industrial disputes in Bangalore, 'is both a movement-like character to the activities of trade unions, and a broad class-based character to workers' struggles' (RoyChowdhury 2008: 34). The disputes 'appeared to occur in a relative vacuum, led by trade unions, which were only tenuously connected, and in some cases not connected, to the mainstream trade unions. The form of these protests was that of isolated events which evoked little or no response from the larger body of industrial workers' (RoyChowdhury 2008: 36). The unions have failed, in her view, to articulate class politics, so that, it seems, people are 'increasingly looking after themselves'. And as Nandini Gooptu has described their ideas and values, this is absolutely the outlook of those young people who have found employment in one of the burgeoning sectors of the 'new economy' of India, the shopping malls. They 'seek personal solutions', Gooptu says, 'to structurally or systemically generated problems in the economy and at the workplace, [emphasizing] the responsibility, autonomy and agency of the self-driven, enterprising individual...and allow both the government and employers to abdicate responsibility for workers' and citizen's well-being' (Gooptu 2009: 45).

But it is possible to exaggerate the weakness and the disunity of organized labour in India. As Teitelbaum says, there is a tendency 'to overlook the mountain of evidence suggesting the continued prevalence of class conflict and the aggressive representation of working-class interests in India' (2006: 415). And indeed from 2001, the unions have effectively resisted moves, especially by the BJP-led National Democratic Alliance government, to 'reform' labour laws. It was under this government that the Second National Labour Commission, reporting in 2002, sought to enhance the rights of employers to close establishments and to legitimize the use of contract labour, whilst expressing criticism of 'the increasing tendency on the part of trade unions to get together in *ad hoc* struggle committees' (Rajalakshmi 2002: 101). In fact these moves on the part of the government had the effect of bringing unions together, as Rohini Hensman explains, so that the movement was, in the end, 'successful in staving off policies that would have precipitated the

remaining 7 per cent of workers in formal employment into informal employment' (Hensman 2010: 197) – even if the unions were not successful in stopping the gradual contraction of formal employment (referred to above). And while in 2003, a series of Supreme Court verdicts on democratic rights and labour issues went against labour (Venkatesan 2003), more recently these judgements have gone the other way. In January 2010 the Supreme Court 'expressed anguish at courts' apathy to the plight of workers being retrenched in the guise of globalization and economic liberalization' (Venkatesan 2010), and in a subsequent judgement the High Court in Chennai followed this lead, calling for an amendment to the law to benefit especially 'unorganized' workers (Dorairaj 2010).

Clearly, given that the overwhelming majority of the labour force of India is 'unorganized', what is happening to those who are informally employed is extremely important. Sanyal and Bhattacharyya, who argue that a very large share of those in informal employment constitute 'excluded labour', have developed an intriguing argument, inspired by their observation of the opposition to massive redevelopment plans in the huge Dharavi slum in Mumbai (Sanyal and Bhattacharyya 2009). Opposition has come about because of the way in which the plans fail to take account of the need for space for informal, home-based economic activities. The plans consider Dharavi people only as 'residents' and not as 'producers'. Sanyal and Bhattacharyya suggest that in so far as excluded labour has structural power it derives 'from its ability to encroach on the domain of capital; "squatting" becomes the new form of resistance' (Sanyal and Bhattacharyya 2009: 42). The dispossessed, they argue, 'fight back through silent encroachment on property', in resistance that implies the tacit recognition of the impossibility of the completion of the transition to capitalism.

Whether or not such a tacit recognition is reflected in the aims of organizations of informal workers that have come into existence, as among construction workers, and women employed in rolling *bidis* (the 'country cigarettes' of India), may be a matter for debate. Rina Agarwala (2006) has shown that the politics of these organizations are taking on a distinctive character, with demands being targeted on the state, for welfare benefits for informally employed workers as citizens, rather than being directed against employers and for workers' rights. Workers are struggling, she says, not against informality (the historical objective of trades union organization) but for rights within this status. Agarwala argues that informal workers are active participants in capitalist growth, that they 'identify, articulate and demand [...]

unique [class] interests' and that they are being tolerably successful in 'forcing the state [...] to decommodify their labour power' (2006: 439–440).

Supriya RoyChowdhury, on the other hand, is less sanguine about the character and performance of informal workers' organizations. She refers specifically to the new trade union federation, the National Centre for Labour (NCL), which was set up in 1995. This is a body that has brought together organizations of informal workers, like those described by Agarwala, representing in all more than six *lakh* (600,000) members. The organizations came together around demands that governments should guarantee the rights of unorganized sector workers and form tripartite boards to regulate conditions of employment in different industrial sectors, ensure payment of minimum wages, and provide social welfare benefits (demands still being pressed, for example in Tamil Nadu, by the Unorganised Workers' Federation. See *The Hindu*, 11 November 2010). It was claimed at the time of its foundation that the NCL aimed at 'forging a new type of workers' movement and working class consciousness' (Mani 1995: 2486), but RoyChowdhury observed some years later that its mobilizational or 'movement' activities were largely confined to support for struggles for better living conditions in slum areas (for the objectives of resistance by 'squatting', in other words), and that 'its everyday activities are defined more as that of a pressure group vis-à-vis the state, rather than as part of a political formation seeking to effect a broad set of changes' (2003: 5283). While it is certainly significant that there is now more extensive organization than before among informal sector workers, and that they should have demonstrated on occasions in quite large numbers against liberalization, the 'political edge' of the movement is limited. The NCL avoids alliances with political parties, while unorganized labour as a category 'is not an important constituency for any of India's major political parties' (RoyChowdhury 2003: 5283). The more recent story of the National Commission for Enterprises in the Unorganized Sector, set up in 2004, confirms this analysis (see below).

On balance, we may conclude that while there are indications of a counter-movement to liberalization among the urban labouring classes, it is still weak – Teitelbaum's strictures about not ignoring the evidence of class conflict notwithstanding. There is little indication in India of the development of the kind of social movement unionism that has shown a transformative potential in some other countries, such – notably – as Brazil (Seidman 1994). What, however, of rural workers, and agrarian classes more generally?

Liberalization and land: Is there an agrarian counter-movement?

Polanyi argued that the attempt to realize the self-regulating market economy in the 19th century caused a crisis in agriculture and for rural people, and gave rise to broad, cross-class resistance. Indian agriculture, in the context of liberalization, is certainly in crisis (Ramachandran and Rawal 2010). But there has been little indication of a collective response, even though the 1980s were marked by significant mobilizations of rural workers, drawing upon support from across classes in the way that Polanyi described. The so-called farmers' movements were responsible for some very big demonstrations mostly for higher output prices and lower input costs, and loomed large even in national politics (see Brass 1995). There was debate about the class character of these movements, but it seemed clear that they were generally driven by those cultivators who were most heavily commercialized. There was evidence, though, that they drew upon caste and kinship connections and ties of patronage to draw in other cultivators, and labourers too. Jonathan Pattenden, for example, says of the Karnataka State Farmers Association (KRRS) that 'at its social bases (it) has usually been controlled by dominant caste men often engaged in perpetuating caste and gender-based forms of domination' (2005: 1979). The agendas of the movements, however, sometimes included demands for higher agricultural wages, and they appeared to have succeeded in building support, in consequence, across class lines. They also developed significant transnational connections – notably the KRRS, which came to play a major role in both *La Via Campesina* (the transnational alliance of rural people's organizations: see Borras *et al.* 2008) and the anti-capitalist network, People's Global Action. What has happened to these movements over the last 20 years?

The major movements split both between and within themselves, with Najundaswamy of the KRRS becoming 'the hero of the fight against multinational imperialism' whilst Sharad Joshi of the Shetkari Sanghatana, based largely in Maharashtra, has championed liberalization (see GO 1993; also Madsen 2001, on splits within the movements). But even whilst it was becoming one of the darlings of the transnational anti-globalization movement, the KRRS was rapidly losing support in Karnataka. Pattenden reports from one Karnataka village that up to the mid-1990s, large numbers of people were mobilized by the association, which they were 'prepared to die for' – as one informant put it to him. Yet by 2002, very few people at all were ready to turn out for a demonstration against proposed hikes in electricity tariffs (2005: 1980).

PROOF

John Harriss 181

Pattenden shows that all the conditions in the village that had been conducive to KRRS mobilizations started to break down by the middle of the 1990s. The intensification of commercial agriculture in the 1980s had created circumstances that provided for cross-class mobilization and the burying of caste and class differences, for the time-being, by conflict between the peasantry generally and the local state and merchants. At the same time, the profitability of agriculture made available resources – notably of time, for richer peasants – for engaging in mobilizational activity. The decline in the profitability of agriculture changed all of this. Non-agricultural activities and incomes became much more important and those more influential people who had been the local leaders of the KRRS became interested in ‘gatekeeping activities’ instead, roles in which they mediate between other people and the state, and are able to use these roles to secure resources for themselves (for example, from the allocation of ration cards). In sum, ‘The sense of togetherness that had accompanied the KRRS’s rise had been replaced by a growing social fragmentation with people ‘looking after themselves’ (Pattenden 2005: 1982).

Surinder Jodhka (2006) reports similar observations from Punjab: in the context of the crisis of agriculture in the state, agricultural households have become increasingly diversified, the landowning classes have become increasingly differentiated, and the farmers’ movement has been fragmented (there are now ten different organizations in Punjab claiming to represent farmers’ interests). Jodhka also makes the point that caste relations have been transformed, as well, as *dalits* (‘untouchables’) in Punjab have sought to escape from the agricultural economy and from the occupations in which they have historically been bound up. Pattenden, too, comments upon caste relations, in rural Karnataka. Now, in the context of the changes that have taken place in the agricultural economy, *dalits* (here *madars*) have become increasingly independent of the village for their livelihoods and, as Pattenden puts it, ‘the costs of abusing the *madars*’ have risen sharply, and there are similar trends in villages in Tamil Nadu (Harriss *et al.* 2010). The struggles of agricultural labourers appear increasingly to have taken on a caste character. The increasing dependence of rural households on non-agricultural activities has meant that in many cases the agricultural workforce has become more than ever dominated by *dalits*. At the same time, *dalits* themselves have been at least somewhat empowered, and the struggles of agricultural labour and the struggles of *dalits* against their oppression have become increasingly merged.

The activism of agricultural workers, both cultivators and labourers, in the context of liberalization and globalization has, therefore, been diverted in ways that might not have been expected. There has come about, in Pattenden's words, 'growing social fragmentation with people "looking after themselves" ', rather than engagement in collective action. There have been important instances, nonetheless, of protest and backlash against liberalization and globalization on the parts of rural people – but most notably against actual or threatened dispossession, as governments and the private sector try to take over land for Special Economic Zones (SEZs), or for mining, infrastructure or forestry projects. Resistance to SEZs has been successful in forcing the government to reconsider colonial legislation on land acquisition, and a new bill on *Land Acquisition, Resettlement and Rehabilitation*, tabled before Parliament in September 2011, reflects a conceptual approach centred on an idea of 'livelihood rights' (Jenkins 2012). Struggles against dispossession have involved increasingly, though not exclusively, *adivasis* – people from the Scheduled Tribes of the hill areas of Central and Eastern India – and these movements of resistance are connected with the resurgence of Maoism in these parts of India. The Maoists themselves have explicitly taken up struggle against liberalization and globalization (Harriss 2011b). Here we may note the relative passivity, by contrast, of agrarian classes in the major agricultural regions, which are fragmented in ways I have described, in the face of the agrarian crisis that the country is undergoing.

Overall, therefore, it appears that such 'counter-movement' to liberalization as there is in India, on the part of labour, remains relatively muted, and fragmented. The exception, perhaps, is the struggle against dispossession. Given this evidence it is striking – and a bit of a puzzle – that India should, nonetheless, have seen an extraordinary volume of welfare legislation over the past decade or so (documented by Dev 2008). The Government of India has indeed latterly 'enacted laws that upgrade the status of social welfare coded in Part IV of the Constitution, to that of fundamental right, in response to campaigns launched by civil society organizations (and) interventions of the Supreme Court' (Chandhoke 2008). How has this come about?

A counter-movement 'from above'?

Shaoguang Wang has anticipated parts of the argument of this chapter, but in writing about China. He has traced China's moves towards a 'market economy' from the 1980s and shown how they shattered

social safety nets. 'Against such a backdrop', he says, 'came a protective counter-movement. An increasing number of people, including government decision-makers, have realized [...that...] The market is necessary but it must be embedded in society. And the state must play an active role in the market economy to prevent a disembedded and self-regulating market from dominating society' (Wang 2008: 58, see also Nordhaug, Chapter 6). Wang describes, in effect, a counter-movement largely directed 'from above'. Something of the same may be distinguished in India, driven to a great extent by the actions of quite small numbers of civil society actors, whose networks extend into the state through links with particular bureaucrats, and in recent years through the direct participation of some of them in the National Advisory Council, chaired by Mrs Sonia Gandhi, the President of the Congress Party (Chopra 2011).

For all the claims made by successive finance ministers about implementing economic reforms 'with compassion and justice' (these were the words of Finance Minister Yashwant Sinha in 2000), and in spite of the mantra of 'inclusive growth' of the Congress government following the 2009 general elections, the actual record in regard to social welfare of both the National Democratic Alliance (NDA) government, led by the BJP from 1999 to 2004, and of the Congress-led United Progressive Alliance (UPA) governments from 2004 is distinctly mixed. As I argued earlier, high rates of economic growth have not delivered comparable improvements in levels of well-being across the country (see Dreze and Sen 2011), but successive governments have still talked a lot about tackling the problems of social welfare, or 'human development'. The share of social expenditure, however, as a proportion both of GDP and of central and state government expenditure, has not changed very much (Mooij and Dev 2004, and Harriss 2011a) and though – given the increase in GDP – absolute outlays have increased considerably, there remain egregious failures especially in regard to the provision of education and of health care. The UPA government has come nowhere near to achieving the targets for public expenditure in these sectors to which it committed in the Common Minimum Programme that it established with its alliance partners and, from the outside, the left parties, in 2004 (6 per cent of GDP for education and 2–3 per cent for health), and has in practice encouraged privatization. And although there is strong evidence showing the significance of the PDS, which supplies rations of essential commodities at low and controlled prices, for poverty reduction (Harriss 2003), this system has been partially dismantled through the introduction of targeting

(in 1997), even though the cost of the food subsidy as a share of GDP has actually been falling (Swaminathan 2000a and 2000b). Targeting has left around 50 per cent of those classified as 'Below Poverty Line', who are supposed to be eligible for rationed commodities, without access to them (Swaminathan 2008). This is a significant marker of the priority that has been given, in practice, to neoliberal fiscal objectives. Even now, when the Government of India is committed (from promises made in 2009, in the context of the general election) to a Food Security Bill, there is an enormous reluctance to concede the importance of the principle of universalism in regard to public food distribution in order to rectify the errors that targeting has introduced (see Himanshu and Sen 2011). This led to public criticism of the proposed new measures from one of the National Advisory Council members, the economist Jean Dreze (reported by *The Hindu*, 25 October 2010).

The picture is a complicated one, however, because of what Neera Chandhoke describes as the upgrading of the status of social welfare by the Government of India in response to civil society campaigns and interventions of the Supreme Court. As the London *Economist* noted:

Over the past two decades, in a radical response [to the widespread, massive problems of destitution in their society], India's Supreme Court judges have increasingly demanded action. They have typically done so by redefining economic and social rights as fundamental and legally enforceable. That should make the government enforce them. In a few cases, however, the judges have gone so far as to dictate how they should so.

(*The Economist*, 20 March 2010)

This led Prime Minister Manmohan Singh, in September 2010, to take on the Court, specifically in regard to food security. He was reported as saying:

I respectfully submit that the Supreme Court should not go into the realm of policy formulation. I respect the sentiments behind the [court] decision that when foodgrains are rotting and people are suffering from deprivation, then some way should be found to ensure that the food needs of the deprived sections are met. But quite honestly it is not possible in this country to give free food to all the poor people.

(Varadarajan 2010)

The points at issue reflect the tensions between the executive and the judiciary that are an important feature of current Indian politics.

Thanks in part, at least, to the engagement of the National Alliance for Fundamental Right to Education involving a large number of NGOs, India now has The Right of Children to Free and Compulsory Education Act, passed in 2009, which makes the enrolment, attendance and completion of schooling of every child under 14 the obligation of the state. The legislation was stimulated in the first place by a ruling of the Supreme Court in 1993 to the effect that 'though right to education is not stated expressly as a fundamental right, it is implicit in and flows from the right to life guaranteed under Article 21'. Earlier, the Freedom of Information Act was passed in 2005, in response to a campaign launched first in 1996 by the Mazdur Kisan Shakti Sangathan (MKKS or Workers and Farmers Power Association) in Rajasthan, which also invoked a ruling of the Supreme Court (Goetz and Jenkins 2005). The right to information has subsequently been woven into the scheme drawn up for the implementation of the National Rural Employment Guarantee Act (NREGA), although attempts on the part of civil society groups, in Rajasthan ironically enough, to make use of the Right to Information in order to check corruption in NREGA have been foiled as a result of the hostility of local government officials (Subramaniam 2009).

Most important of all, the NREGA was enacted by Parliament in September 2005, and extended to all districts in the country in April 2008, providing for up to 100 days of guaranteed wage employment to rural households. It has by now set up what is by far and away the biggest public employment programme that has ever been attempted anywhere in the world. This was the outcome of a campaign initially for the Right to Food that was launched in 2001 (see its website, www.righttofoodindia.org), stimulated by the filing of public interest litigation by the Peoples Union for Civil Liberties demanding that accumulating stocks of food in government warehouses be used to meet endemic conditions of scarcity and deprivation. The Supreme Court subsequently issued notice in September 2001 directing government to provide for midday meals in all schools, and to extend the Integrated Child Development Services (ICDS) programme. Later the Campaign began to press the UPA government to deliver on its commitment to the Common Minimum Programme (CMP) that it had agreed with other parties, notably the left parties, in order to maintain a ruling majority. The CMP included a commitment to a national employment guarantee, and key activists with the Right to Food campaign – Aruna

Roy, a former officer in the elite Indian Administrative Service, and a driving force in the MKKS, and Jean Dreze – who were also members of the National Advisory Council (appointed to monitor the implementation of the CMP), presented a draft bill at its first meeting. There was subsequently considerable conflict between different government departments over the bill, and the further, considerably diluted draft brought eventually before parliament by the Ministry of Rural Development was subjected to fierce criticism by civil society actors. Together they formed a campaigning organization, People's Action for Employment Guarantee (PAEG), which, among other actions, organized a 'bus *yatra*' (procession) through ten states to mobilize popular support. The Act that was finally passed reflected the success of the PAEG in securing the restoration of most of the provisions of the original proposals.

Early studies of the implementation of the NREGA show up the considerable difficulties of implementation, and its effectiveness varies considerably between states. At best, in states such as Rajasthan and Madhya Pradesh, evaluations show that there has been fair success in meeting the objectives of the legislation, particularly in opening up employment opportunities for women (Khera 2011), in spite of the mounting evidence of the diversion of vast sums intended for the scheme as a result of the corruption of local elected and other officials (Subramaniam 2009). Perhaps most significantly, the NREGA, which has been renamed the Mahatma Gandhi National Rural Employment Guarantee Scheme, has led to increased popular awareness of rights.

The campaigns that have driven all this legislation, invoking the language of rights, have been led by middle class intellectuals, deploying a wide repertoire of political strategies, making use of transnational networks, and involving the support of the left parties on which the UPA government depended for support from the outside (until tensions with the government over its nuclear deal with the United States led to the withdrawal of left support in July 2008). With the exceptions of the campaign on the right to information, the actions against displacement and dispossession by associations brought together in the National Alliance for People's Movements, and perhaps of the actions of the PAEG, they have not been concerned, however, with raising popular consciousness, but have rather lobbied policy makers, often making use of personal contacts (or social capital *sens* Bourdieu), and they have achieved notable results largely when they have successfully appealed to the Supreme Court. Jean Dreze wrote tellingly of the Right to Food Campaign in 2004:

PROOF

John Harriss 187

The 'leaders' almost invariably come from a privileged social background. However sensitive they may be to the viewpoint of the underprivileged, they cannot but carry a certain baggage associated with their own position. The bottom line is that, with few exceptions, social movements in India (or for that matter elsewhere) are far from democratic. This lack of internal democracy jars with the values we claim to stand for, and creates a deep inconsistency between means and ends.

(Dreze 2004: 128)

The democratic limitations of the counter-movement, from above, against neoliberalism in contemporary India, are clearly reflected in Dreze's remarks. At the same time there have been attempts by successive governments, as we noted, to restrict labour rights – although these have been opposed, as we also saw, in recent court judgements.

The Indian state has been remarkably active, however, in regard to unorganized labour in terms of legislation and new programmes, in the period since the launch of economic reforms in 1991. The UPA government, notably, established the National Commission for Enterprises in the Unorganized Sector (NCEUS) in September 2004. In practice, the members of the Commission engaged much more substantially, and critically, with the problems of unorganized workers than the title might lead one to suppose. They prepared two draft bills: (a) the Unorganized Sector Workers Social Security Bill, 2006, and (b) the Unorganized Sector Workers (Conditions of Work and Livelihood Promotion) Bill, 2006. These drafts included proposals for legal protection of the labour rights of unorganized workers, as well as for protection of their livelihoods. They were, however, set aside by the UPA government in May 2007, and substituted by a single bill (passed into law in December 2008), much watered down by comparison with the NCEUS proposals (and see Breman 2010). Still, the sheer fact of so much official policy interest in the unorganized sector is remarkable, and seems to show how far the Indian state – like the Chinese state, according to Wang's analysis – has been pushed away from the neoliberal model of minimal state involvement.

It is significant indeed, that both the Indian state, through the measures we have described, and the Chinese state, with its renewed emphasis on rural development in the interests of creating what the leadership calls an 'harmonious society' and its recent concern for the raising of industrial wages, seem to have been compelled to address at least some of the welfare needs of workers marginalized (if not

actually 'excluded', as Sanyal and Bhattacharyya have it) by the failure of structural transformation and the effects of economic liberalization. As Partha Chatterjee has argued, it is now 'unacceptable and illegitimate for the government to leave these marginalized populations [...] to simply fend for themselves. That carries the risk of turning them into the "dangerous classes"' (Chatterjee 2008: 62). The increased welfare spending of the Government of India can well be seen as being a response to the failure of 'inclusive growth'.

There are parallels here with what happened in the United States in the Progressive Era – the period of social activism and political reform from the 1890s to the 1920s, that followed the so-called Gilded Age of 'unrestrained free enterprise, unsanitary urbanization and frontier expansion' (Szreter 2002: 589). As Szreter explains, in the Progressive Era people from the privileged sections of society came to recognize that the 'less fortunate' had a claim upon them – exactly as happened in much of Western Europe at about the same time, or a little earlier – and they sought explicitly to protect society from the consequences of unconstrained market competition. This was partly a result of the reaction among intellectuals to the Darwinian ideology of the survival of the fittest that had seemed to justify ruthless competition, and partly because a growing section of the middle classes were able to develop careers as professional public servants. At the same time, 'the more far-sighted of the larger urban employers saw that it was in their interests to have a range of well-organised municipal services to provide them with a contented, good quality labour force' (Szreter 2002: 594). India's towns and cities have a long way to go in developing such 'well-organized municipal services', but there is certainly a recognition now that if the country is to take advantage of its 'demographic dividend' then the quality of the labour force in regard to health and education must be improved (Corbridge *et al.* 2012, Chapter 14). Thus far, however, as I have argued here, what has been most striking is the use of greatly increased government revenues in the implementation of social welfare measures for the alleviation – or, we might say – the management of poverty, rather than the implementation of social policies as in the fields of health and education. It remains to be seen whether or how far the new emphasis on rights, in NREGA and in the Right to Education, will encourage socially transformative political agendas.

Conclusion

India's experience of economic liberalization has not, thus far, delivered on promises of 'inclusive growth', and there is strong evidence,

PROOF

John Harriss 189

if not of the 'exclusion' of labour, certainly of its marginalization. The response of labour, both urban and rural, has lacked organization and integration, and resistance to India's experiment with economic liberalism has been correspondingly muted – although we must certainly take note of the fact that successive governments have been unable to carry through moves to change labour laws in the interests of 'flexibility' in the way they would have liked. Organized labour in India is not as feeble as it has often been portrayed as being – and industrial unrest has recently been on the rise again, often sparked by anger over the employment of contract labour (see *Outlook Business*, 29 October 2011). The lack of organised response on the parts of farmers and of agricultural labourers to the crisis of agriculture is quite striking, however, and rural people as well as informal workers are still often divided on lines of caste and religion. Resistance to displacement and dispossession, on the other hand, has been at least somewhat effective, causing the government to introduce new legislation on land acquisition that at least acknowledges the need to consider its implications for livelihoods. In this context, as I have said, it is remarkable that the Government of India should have begun to recognize economic and social rights as it has not before through a series of legislative innovations that might well be seen as marking a watershed in Indian democracy. This has come about as a result of a counter-movement driven largely from above by middle class-led associations, in which individual actors have played an important role, drawing on their links into the political establishment – in a way that recalls earlier movements in Europe and the United States. What has been achieved, thus far at least, has been to see a considerable expansion of social protection in India – but certainly not, or not yet, a comprehensive social policy of the kind advocated, for instance, by the United Nations Institute for Social Development (UNRISD) (UNRISD 2010). This failure is reflected, above all, in the continuing failures of the Indian state with regard both to resources for and to administration of the delivery of education and of health care.

The UNRISD report argues that democracies have been able to deliver outcomes that are beneficial to the poor when (i) rights are institutionalized, allowing the poor to exercise political choice and build alliances with others and hold leaders to account; (ii) groups with strong ties to the poor demonstrate capacity for organization and mobilization; (iii) when they are able to transcend or reconcile horizontal divisions; and (iv) when they create structural links to actors involved in policy making, leading, at times, to social pacts (2010: 24). In regard to each of these points the Indian case shows definite limitations: rights are, increasingly, being institutionalized, certainly, but the state is still not

responsive to poor people (Corbridge *et al.* 2012, Chapter 8); the groups that have organized successfully to bring about the big legislative innovations that I have described don't generally have strong ties with the poor, as Jean Dreze concedes in the passage I quoted; horizontal divisions fragment the working poor of India; and the structural links that have been important, as I've shown, have not yet built a social pact.

We might want to recognize, with Pratap Mehta (2006), that a fraction, at least, of the Indian middle class is 'now struggling to articulate new conceptions of social justice' – or, in Polanyi's terms, to take on the protection of society. But as Mehta also says, the middle class is 'not an unalloyed carrier of virtue', and in others of their actions members of the Indian middle classes show both their mistrust of democracy and their support for measures directed at the disciplining of the poor, as through sometimes massive slum clearances (Bhan 2009). Even progressive citizens' organizations are not notably supportive of the struggles of the poor for living space and for livelihoods, and they tend to favour technocratic solutions to public problems as against representative democracy (Fernandes and Heller 2006; Harriss 2006). They are not generally supportive of the collective organization of working people, towards which the Indian state has sought to be increasingly repressive. The 'lopsidedness' of Indian democracy has been very much in evidence, and the 'double movement', such as it is in the present conjuncture in India, and transformative politics, are correspondingly qualified.

Notes

1. The reference is to Scheduled Castes and Scheduled Tribes, communities entitled to some positive discrimination, as, for example, in access to public sector employment.
2. India's 46 billionaires accounted for more than 20 per cent of GDP in 2008. Some of them have become 'stars' to compare with the top cricketers and Bollywood celebrities. On the rising power of business, see Kohli (2012: 41–59).

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PROOF

194 *Growth Economies*

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PROOF

9

Trade Unions and Democratic Transformative Politics: Political Representation and Popular Mobilization during Local Government Reform in South Africa

David Christoffer Jordhus-Lier

Introduction

This chapter explores the capacity of trade unions to play a transformative role in countries that have recently undergone democratic transition. Much like the expectations raised by the Arab spring today, the early 1990s provided a window of opportunity for people power in South Africa. Popular mass struggle toppled an oppressive regime and paved the way for political transition where a broad popular alliance of political parties, social movements and trade unions stood ready to take power. Key to this popular alliance was a well-organized labour movement, significant in size compared to those in other countries in the Global South, and with a formal alliance to the party preparing to take power, the African National Congress (ANC).

Twenty years later, the country's labour movement, led by the Congress of South African Trade Unions (COSATU), 'remains the largest, best-organized and well-resourced social movement in the country' (Marais 2011: 443). As a trade union, COSATU has always been committed to social transformation, with democracy also a core value of the South African trade union movement. Buhlungu (2010) writes that the tradition of *internal union democracy* in the black trade union movement has enabled unions to reproduce new layers of leaders and maintain

legitimacy with their constituency, and this in turn has enabled them to change the apartheid system of cheap labour and exclusionary industrial relations. The question now is whether the strong position of trade unions in the post-apartheid era has contributed to a broader process of democratic transformative politics.

Since 1994, the ANC has been in government with the active support of the main trade union federation, COSATU, and the South African Communist Party (SACP). This tripartite alliance between the ANC, SACP and COSATU has been instrumental to the development of social partnerships and policy making in the post-apartheid era. With the help of COSATU, the ANC has won four successive parliamentary elections with no viable challenge from the political left. Essentially, the party has managed to establish a sense of hegemony in civil society by bringing large segments of associational life into their political project. COSATU members have remained relatively loyal to their alliance with the ruling party, even though South Africa's developmental path has favoured economic growth over social redistribution. Buhlungu (2010) argues that this loyalty must be understood in the context of a basic rationale that has motivated trade unions to engage in liberation struggles across Africa; to these unions, democratization is a vehicle for social transformation. South African unions have therefore remained close to political power in an attempt to influence policy making and legislation. After the first democratic elections, the locus of the union struggle shifted from shop-floor democracy to a battle over macroeconomics. This was a scale of politics and a field of practice where black organized labour had significantly less experience and expertise, and which led to the demobilization and disempowerment of union leaders (Buhlungu 2010). The tripartite alliance has given COSATU political influence and the recognition of workers' organizational rights, but it has not sided with the workers in their struggle against workplace restructuring and economic liberalization (Buhlungu 2010). Adding to their woes, the unions became isolated from those parts of civil society that operated independently of the ANC. This last trend is significant, as the tradition of social movement unionism was strong in South Africa from the 1980s onwards, and COSATU unions in particular were concerned with influencing broader social and economic policies. Marais (2011) thus observes a general shift in COSATU from 'social movement unionism' in the 1980s, to 'political unionism' after the ANC came to power, to a more recent 'social unionism' that tries to combine popular mobilization and political partnership. The sections that follow will demonstrate that this is a

difficult strategy to pursue, one that is rife with political dilemmas and tensions.

Buhlungu (2010) identifies a 'paradox of victory' in South African trade unions. Unions have experienced strong membership growth in the post-apartheid era, but have proved unable to provide sufficient political education to these new members resulting in the de-politicization of the organized workforce. In a related development, many union leaders forged careers as politicians, bureaucrats and employers, thus draining the union movement of human resources in the process. Meeting these ex-unionists on the other side of the table has often proved very challenging for post-apartheid unions. COSATU has also downplayed alliances with potent social movements that emerged in the late 1990s, partly because such interaction was seen as incompatible with their alliance with the ANC. Rather than being a voice for the marginalized majority, some observers argue that COSATU's abandoning of social movement unionism and their failure to recruit casually employed and unemployed workers have resulted in a crisis of representation (Friedman 2002; Buhlungu 2010).

Concrete cases of union mobilization add nuance and present alternatives to this relatively bleak picture of de-politicization within political unionism. Buhlungu (2010) states that at a local level, different trade union actors have been placed in the middle of concrete transformations where they have tried to engage with restructuring processes, build alliances and stake out a new agenda. We can identify several exceptions to this overall trend of de-politicization, particularly if we focus on a more local scale and on certain sectors and locations. While local unions that have tried to be more community-oriented, that have recruited new members and that have staged political campaigns have faced challenges of their own, they are also able to point to alternative trajectories for post-apartheid unionism. In this chapter, I will thus explore how one trade union has attempted to find its place during what Webster and Adler (1999) call the 'double transition' in South Africa: democratization coupled with economic restructuring.¹

The South African Municipal Workers Union (SAMWU) in Cape Town has tried to maintain its culture of shop-floor democracy and social activism within the imperatives of a liberal democratic and neoliberal order. The multifarious strategies of SAMWU have been analysed both in terms of progressive alliance building with civil society formations in Johannesburg (Buhlungu 2006; Barchiesi 2007) and Cape Town (Lier and Stokke 2006; Lier 2007; Stokke and Lier 2008) and its relatively new strategy of recruiting private company employees to counter the

outsourcing of municipal services in Cape Town (Samson 2004; Jordhus-Lier 2010). But the case of SAMWU also raises some wider questions about the potential for trade unions to act as political agents in young liberal democracies in the Global South (see Seidman 2010 and 2011 for a critical comparison of South Africa and Brazil). Taking a cue from Chapter 1, this volume, namely by assuming that strong linkages between popular organizations and institutions of public governance are a prerequisite for democratic transformative politics, I will look at how union strategies with transformative potential may be generated through a combination of popular mobilization – such as social movement unionism and recruiting marginalized workers – and engagement with the formal political system. New channels of democratic influence have been opened up since 1994, and SAMWU, being a trade union for local government employees, has sought to engage with the state in its role as an employer, as a democratically elected authority and as a municipal administration. Public sector unions are confronted with the state in its many capacities, creating both possibilities and limitations for their politics (Jordhus-Lier 2012a). This chapter will thus discuss the contradictions arising from SAMWU's attempts to pursue a broad, political agenda, concentrating on the period after 2000 when the City of Cape Town embarked on an ambitious neoliberal restructuring agenda that affected both service users and municipal employees. Economic restructuring has challenged the strategies of SAMWU, as it has for trade unions across the world in times of neoliberal change. First, I will reflect briefly on what it means for workers to pursue their politics in a liberal democracy. Second, I will discuss the concept of representation in relation to trade unionism and ask to what extent South African unions can be representative of those whose interests they claim to be championing. I will then look at the restructuring process that has changed the administrative structure and service delivery in the Cape Town Metropolitan Area, asking how this has impacted on local government employees. Finally, I will consider SAMWU's attempts to engage with this restructuring process before concluding by seeking to bring the discussion back to a more general reflection around the transformative potential of trade unions after the transition to liberal democracy.

SAMWU and democratic politics

The transition from apartheid to democracy and equal citizenship empowered South African workers as political subjects, as non-white workers came to enjoy civil and political rights, such as being able

to participate in elections. But transition was also about social and economic rights and the redress of social injustices. Access to public services in health, education and housing have regularly dominated the election agenda, particularly in municipal elections. The issue of service delivery has been particularly relevant to municipal workers and to SAMWU members as they are directly engaged in the provision of these services at the local level. But SAMWU and COSATU are also involved in the more overarching politics around developmental priorities and socio-economic rights at the national scale. The Western Cape Province and the City of Cape Town are well suited to illustrate the complexity of these political dynamics, also because this is an area where there has been a functioning opposition to ANC hegemony. The Western Cape province is a bastion of the opposition party, the Democratic Alliance (DA), but the ANC is very strong in those parts of Cape Town where service delivery backlogs are greatest, and the population overwhelmingly Xhosa-speaking. While SAMWU is affiliated to the ANC, its members in Cape Town have historically been predominantly coloured, typically living in DA-dominated areas. Buhlungu (2010) documents the long-standing tension between coloured and African workers in the Western Cape. When it comes to public services, however, neither the ANC nor the DA represent a real alternative to the service delivery model where neoliberal market principles are balanced by safety nets and indigent policies for the poor (Jaglin 2008). SAMWU opposes this service delivery model, but during its stint in metropolitan government, the ANC demonstrated its willingness to accelerate rather than challenge the service delivery model based on strong elements of casualization, precariousness and cost-cutting as far as labour was concerned. Casualization, it was argued, could also help create business opportunities for black entrepreneurs as well as new job opportunities for the unemployed. Moreover, the DA and the ANC have taken turns in governing the city in the last decade, and these regime changes have had a negative effect on service delivery (Okecha 2011).

Under these conditions, municipal workers were simultaneously worried about service delivery *and* their jobs, whilst deeming the ballot box an insufficient outlet for voicing their concerns. New opportunities for participatory democracy were created in January 2005, however, when a system of *ward committees* was established (Millstein 2008). Community-elected, area-based committees were now expected to offer people a way for directly influencing municipal planning and budgeting (Putu 2006). In addition, there were place-specific mobilizing initiatives, such as the 2006 Mayoral Listening Campaign in Cape Town, which invited citizens

to send a message directly to the Mayor on the most pressing issues in their neighbourhoods. Nevertheless, and in spite of these formal democratic channels, Millstein (2008: 1) notes that, 'political spaces for citizen participation are limited and affected by complex and contradictory intergovernmental relations, and tendencies towards centralization of political power'. Top-down efforts to encourage participatory processes and inviting organizations of the urban poor into decision-making forums have not been sufficient to pacify popular political mobilization in the post-apartheid era. Trade unions and community-based organizations sometimes do engage in stakeholder forums initiated by the local state, such as participating in the drafting of the Integrated Development Plans that all municipalities are obliged to develop. Critics argue that this is merely token participation, however, and many of these organizations have resorted to more confrontational methods when this is seen as more effective – or when local democratic channels are perceived to lack legitimacy (Oldfield and Stokke 2007). Realizing the limitations of participating in post-apartheid democracy merely as voters, citizens, municipal workers and community activists have demonstrated a strong commitment to collective organization. SAMWU has maintained a strong voice on issues of service delivery in Cape Town and elsewhere in the country since 1994. That said, a key challenge for the union has been the need to justify its role in an agenda that is broader than the interests and employment conditions of its membership. Revisiting the concept of representation offers us a way to understand why this has been such a defining challenge.

Worker representation beyond the standard employment relationship

While the notion of popular representation in relation to democratization in developing countries has received significant academic attention, the role of trade unions in building representation has been less visible. Törnquist (2009) refers to Pitkin's dimensions of legitimate representation in a democracy: substantive representation refers to a representative acting in the interest of the represented, descriptive representation refers to the representative being objectively similar to the represented, while symbolic representation refers to the representative sharing the identity of the represented. Unlike nationalist or liberation movements, trade unions have not historically claimed to represent 'the people' in its broadest sense. Rather, they tend to lay claim to both substantive and descriptive representation of *workers* by defending workers'

PROOF

David Christoffer Jordhus-Lier 201

interests as well as drawing their representatives from the ranks of workers. In addition, trade unions have historically laid claim to symbolic representation by actively engaging in framing processes (see McAdam *et al.* 1996) that legitimize their political agenda as ‘working-class struggle’ – and their political organizations as vanguards of this struggle. Trade unions in developing countries may actively frame related, yet alternative, discursive constructions referring to their constituency as ‘the workers and the poor’ or ‘the masses’. Yet, as Beckman (2009) concedes, trade unions in developing countries with a small wage earning population face a battle as and when they lay claim to representing ‘the people’ or ‘the majority’ simply because unionized workers account for a small share of the citizenry (this point is also made by Waterman 2005). Beckman suggests that their importance is drawn instead from a symbolic representation of ‘popular aspirations for modernity’. Put differently, by mobilizing around issues of equality, redistribution, access to health, education and basic services, labour movements are infusing the development project with a ‘popular democratic content’ (Beckman 2009).

In South Africa, the labour movement faces allegations that they neither represent the poor nor the majority of South African workers. Clearly, in numerical terms, this statement is correct. Indeed very few labour movements outside of Scandinavia have ever represented a majority of the working population, let alone those of post-colonial developing countries. Even if South Africa has experienced a level of industrialization unknown to the rest of the continent – and has a recent history of apartheid that provided fertile ground for a popular, politicized labour movement – economic restructuring and globalization in the post-apartheid era has exacerbated some of the dilemmas that face South African unions. The South African working population is characterized by poverty, unemployment and informal work. Even by a narrow definition of unemployment, official South African figures are extremely high, peaking in the post-apartheid era in 2003. Moreover, unemployment is distributed unevenly between social groups, and is particularly prevalent among black, female and young people (Altman 2004). It has hit harder in rural areas, leading to high levels of rural-to-urban migration and a rapidly increasing rate of urbanization in the post-apartheid era (Pillay *et al.* 2006). Parallel to the unemployment crisis is the informalization of work. Devey *et al.* (2002) state that the number of people working in the informal economy grew from 965,669 in 1997 to 1,873,136 in 2001. In the years following this dramatic increase, the informal sector’s share of a still-growing national

workforce has climbed slightly from 15.7 per cent in 2002 to 16.9 per cent in 2007 (www.statssa.gov.za).

Seekings (2004) thus has a point when he argues that organized labour's constituency is located in the richest half of the population. While income inequality between the elite and the mainly black working class is extreme, he claims that 'South Africa's poor comprise, above all, the jobless' (Seekings 2004: 301). Thus, a social policy that benefits formal employees does not necessarily benefit the poor, and vice versa. This is evident in the debate around social pensions, which under universal entitlement ensure that those without an income benefit. When these entitlements were cut, there was 'little or no opposition' from unions and other progressive organizations (Friedman 2002: 13). Friedman suggests that the reason why many of these pro-poor policies have not won support in the political system is that the poor remain poorly organized and thus they lack a voice in decision-making processes. That said, COSATU in particular has pushed policies in the tripartite alliance that were directed at the non-employed, and which supported the proposal to give all South Africans a basic income grant (BIG) that would in effect redistribute resources from the formally employed tax payers to the unemployed. Nevertheless, both Friedman (2002) and Seekings (2004) argue that the structural gap between organized labour and the poor makes an alliance between them unlikely, and that COSATU's stance on pro-poor policies is, at best, contradictory – in short, they 'appear often to speak on behalf of, rather than for, the poor' (Friedman 2002: 13).

Webster (2006) also suggests that the labour movement is experiencing a *crisis of representation*. The erosion of standard employment relationships in post-apartheid South Africa is also an erosion of the traditional base of unionism. Out of a total employed labour force of more than 12 million workers in 2006, Webster (2006) estimates that just over half are in standard employment relationships. While the formal sector is increasing in size and proportion, the informal sector has also increased in size in the last six years – and since 2002, the informal sector has showed a proportionate increase from 15.7 to 16.9 per cent of total employment. Moreover, Webster (2006) argues that there are concomitant processes at work that complicate workers' prospects in the labour market. He describes these changes as a two-pronged attack on standard employment relationships. Firstly, as mentioned above, many workers have been pushed into the informal economy, where unregulated unemployment and a lack of social security create high levels of precariousness and poverty. Secondly, formal employment itself

		Employed				
Casual	<i>Quadrant 2</i>	Non-standard employment Outsourcing, contract workers	2.1 million	<i>Quadrant 1</i>	Standard employment relations New work order, team work, etc.	6.8 million
	Informal	<i>Quadrant 3</i>	Hawkers, homeworkers, taxi drivers	2.3 million	<i>Quadrant 4</i>	Small, medium and micro enterprises
		Self-employed				

Figure 9.1 The changing social structure of the labour market in South Africa
 Source: Adapted from Webster and Buhlungu (2004: 234) and Webster (2006: 23).

is no longer synonymous with standard employment relationships, as casualization means that many formal jobs are now casual, part-time and under weaker contracts.

South African trade unions are therefore losing ground in an increasingly informal labour force. The erosion of standard employment relationships in South Africa is also an erosion of the traditional base of unionism. The percentage of members outside Quadrant 1 in Figure 9.1 above exceeds 10 per cent in only two of COSATU's 21 affiliated unions. In line with the discussion above, this implies that trade unions are not only incapable of speaking for the jobless, they are moreover losing 'their capacity to provide a voice for the "new working poor" ' (Webster and Buhlungu 2004: 234). Casualization of labour, then, seems to support Seekings and Friedman's concerns about the union movement. This crisis of representation is likely to continue to erode the political power of organized labour and the empowerment of the poor unless trade unions revitalize their strategies and manage to successfully organize among these growing sections of the working class.

This gloomy picture may be qualified by arguing that the structural explanation of organized labour's limited representativeness relies on the notion that there is a direct correspondence between the paid-up membership of a trade union and its political constituency. It also implies a narrow understanding of workers as political subjects. Suggesting that trade union members constitute a different class than the unemployed is not necessarily useful as an analytical framework (see

Seekings 2004). Wage workers and the poor are closely tied together through community and family relations. Around the year 2000, there were 2,139,443 households in South Africa that reported having a trade union member in their household according to the Labour Force Survey. Of these, almost 27 per cent had a monthly household expenditure of less than ZAR 800, and 44 per cent had less than ZAR 1200 – defined as ‘poor’ or ‘very poor’ (Hirschowitz *et al.* 2000: 59). In other words, while trade union members are wage-workers, and thus relatively privileged in an economy with widespread unemployment, their lives are not isolated from this poverty. In fact their income is instrumental in providing social security to the poor. In a context of underfunded public welfare mechanisms, inter- and intra-household support from wage earners to their dependants is vital to many poor (Seekings 2004). As Tørrer (cited in Seekings 2004: 309) points out, ‘there is no doubt as to who is currently carrying the major burden of redistribution, it is the working class’.

At a more concrete level, there are attempts made by South African trade unions to *become* more representative by actively trying to reach beyond the realm of the standard employment relationship. Despite issuing statements in 2000 encouraging unions to recruit casual labour, COSATU has yet to demonstrate its commitment to following up this policy. Some local cases are encouraging, however, such as when the General Industrial Workers Union of South Africa (GIWUSA) began to organize unemployed members and labour broker employees (temporary agency staff) in addition to their permanently employed members, whilst setting up township locals (branches) in addition to existing workplace locals (Appolis 2009). SAMWU in Cape Town provide another illustrative example. In 2000, SAMWU passed a national resolution to represent everyone working for the municipality regardless of employer relationship or employment terms. But before we look into how this strategy played out in the City of Cape Town, it is necessary first to provide an explanation of how municipal workers in the city have faced economic restructuring in the form of local government reform.

Restructuring challenges: Casualization and service delivery reform

The transition from apartheid to liberal democracy in South Africa necessitated the restructuring of metropolitan administrations and municipalities. Local government was only established as a distinct, autonomous sphere of government in 1993 (Craythorne 2006).

Establishing local democratic structures in metropolitan areas required institutional changes that would bring together previously segregated areas to allow for redistribution, political inclusion and a coordinated administrative structure. Like other South African cities, Cape Town has thus undergone fundamental transformation in terms of administrative and political amalgamation since the 1990s. The drivers behind these changes have varied, as has the extent to which participation from civil society has been encouraged. Still, some key moments can be identified.

The restructuring process has taken its current form since the so-called Unicity Commission submitted its recommendations to the City of Cape Town (CoCT) Council around the turn of the millennium. The establishment of one political and administrative structure – the ‘Unicity’ – in 2000 marked the end of the formal amalgamation of more than 60 political authorities. While this opened up new levels of political accountability and coordination of service delivery, the Unicity Commission’s recommendations also signalled a concerted drive to invite private sector involvement in municipal service provision through subcontractors, labour brokers, as well as through a limited number of privatization initiatives. This meant that the municipal labour regime was in the process of moving from a relatively well-protected (and unionized) workforce in standard employment relationships to a fragmented workforce consisting of temporary staff, private employees and casual labour alongside municipal staff. This corresponds with a wider trend of New Public Management reforms that swept across the world in the 1990s, and which put public sector workers on the defensive in many countries where they had hitherto been strong (Dibben and Higgins 2004; Jordhus-Lier 2012a). Restructuring has also led to de-unionization in Cape Town. An overall decline in SAMWU’s membership became evident as the restructuring process unfolded, with the overall staff size of CoCT employees dropping from 27,000 to 23,000 in the period 2003–07. The reduction in staff numbers was to a large extent offset by hiring non-unionized labour agency staff, and by outsourcing and subcontracting out municipal functions to companies where unions are weak or non-existent.

Restructuring not only affected employment dynamics in the municipality, it also affected the way services were delivered and the relationship between service providers and service users in Cape Town (McDonald and Smith 2004; Jaglin 2008). An even more contested product of restructuring was the introduction of stricter principles of cost recovery in service departments such as water, electricity and solid waste. New debt-management practices were seen as necessary to

accomplish cost recovery, and for many workers and poor this signalled increased tariffs, service cut-offs as a response to payment problems and new technologies (water management devices, prepaid electricity meters). For SAMWU and its members, the issue of service delivery was a natural part of their engagement with the local government restructuring process. When municipal workers went home after work, they didn't only feel the squeeze of cost recovery in relation to their access to municipal services. New municipal labour practices also led to a scramble for jobs where they found themselves pitted against fellow community members whose ability to demand a fair wage was minimal. In sum, the restructuring of service delivery was seen a major threat to the day to day lives of the more than 30,000 people working for the municipalities in the Cape Metropolitan Area. But how were they going to voice their concerns, and to what extent could they use the new democratic channels to exert influence on policies beyond the casting of votes in elections?

Engaging with the restructuring process

First, SAMWU, as a national trade union, met local government restructuring across the country with outspoken political opposition through an anti-privatization campaign in the late 1990s. Second, as the use of external service providers and labour brokers started to become more widespread, despite SAMWU's protests, the union was gradually forced to confront outsourcing. Outsourcing became more than a political idea to oppose; it was also a reality in the labour market where it organized its members. Recognizing that the increase of non-standard workforce in municipal services represented a threat to the employment security of union members, SAMWU was forced to improvise its organizing strategies by recruiting private company employees. The effort to unionize private workplaces should be seen as an attempt to intervene in the local labour market and make this option a less profitable one for corporate-minded senior managers in the metropolitan municipality. The initial stages of this strategy have been described in other publications (Samson 2004; Jordhus-Lier 2010), but even at the time of writing this, has yet to evolve into an effective strategy in urban labour markets across South Africa. Moreover, this strategy has had implications for the relationship between union members and some civil society groups. Interestingly, while the union's attempt to join forces with community organizations on issues of service delivery has revealed a potential for union-community solidarity, the union's attempts to stem the tide of casualization of municipal work has often pitted it against

community organizations and local labour brokers that perceive the union as a competitor for the same jobs (Millstein and Jordhus-Lier 2012).

Because of the gap between SAMWU's political position and that of the administrative and political leadership in the City of Cape Town, relations between senior management and union leaders were severed with the result SAMWU was unable to play a direct role in shaping the city's policies on casual labour. It remains a paradox that even the modest reversal of the trend of casualization in the late 2000s was driven by the new DA leadership, rather than by union efforts. The use of labour broker staff declined and the CoCT employed more permanent staff from 2007 onwards, as the administration seemingly began to acknowledge the social costs of relying on temporary casual labour. To complicate matters even more, those private sector workers that SAMWU managed to organize were legally excluded from existing bargaining arrangements in the local government sector. The trade union was therefore not able to represent them effectively. In short, CoCT's staff reduction did not mean that there were fewer workers dealing with municipal functions. Rather, it meant that these workers cost less and did not enjoy the same legal protection. When this was raised in a focus group discussion with senior managers in the Utility Services directorate, it was cheerfully noted that while the lack of union representation in private waste companies was not the main motivation behind the outsourcing drive – 'it was a very good spin-off, though' (focus group, CoCT senior managers, 22 June 2007).

Third, SAMWU attempted to use its relatively strong position as a trade union to engage in negotiations and consultations with senior management in the metropolitan administration throughout the restructuring process. When unions are invited into political decision-making forums in the City of Cape Town, this may be seen as a form of *neo-corporatism* that is also evident in other emerging economies. Corporatism is sometimes dismissed as a trait of Fordism, and deemed inappropriate in a developmental context. Empirical evidence, however, seems to corroborate Jessop's (1990: 136) assertion that corporatism is an 'always tendential' characteristic of modern societies. This can be related to the International Labour Organization's (ILO) promotion of traditional tripartite forums dealing with employment issues at a national level. In South Africa, the National Employment, Development and Labour Council (NEDLAC) also includes civil society organizations, reflecting the global trend of 'multi-stakeholder consultation' in decision making. Some observers dismiss these corporatist forums as a way

of securing and legitimizing capital accumulation and containing the militant character some labour movements have had in the past (Bramble and Ollett 2007). Corporatist forums have also been criticized for epitomizing the elite institution and pact building that Törnquist (2009) warns against (see also Pretorius 1996). But these pitfalls notwithstanding, engaging with the state has also allowed the political agenda of trade unions to shape and modify government policies in countries such as South Africa and Brazil. In short, corporatism offers opportunities for as well as limitations to the political voice of organized workers. While neo-corporatism typically refers to national arrangements, trade unions often also seek to establish constructive relationships at the local scale, not least in metropolitan areas with a dynamic political and administrative leadership. For SAMWU, it was thus relevant to engage with different directorates in the City of Cape Town, and not only with the Corporate Services that was in charge of staff policies. SAMWU activists have also actively engaged with management in utility services such as water, electricity and solid waste and with supply chain management responsible for external contracts and outsourcing. By doing so, SAMWU's agenda has reached beyond wages and conditions to embrace issues of service delivery and contracting.

Fourth, SAMWU attempted to use the 'invited spaces' (see Cornwall 2002) that opened up as a part of local government reform. On the surface, the restructuring process did offer some opportunities for organized labour. While the work of the Unicity Commission was interpreted by some observers as an embrace of neoliberalism (e.g. McDonald and Smith 2004), it also recommended increased levels of popular participation in decision making, including a citizen service charter to be developed 'with the extensive participation of all stakeholders' (Unicity Commission 2000: 13). SAMWU, which has historically been strong in Cape Town and in the Western Cape province, decided to use the invitation to participate in the Unicity Commission's work to launch its own alliance against what it perceived as the commercialization of service delivery and the erosion of decent work. Since its inception in 2000, the Anti-Privatisation Forum (APF) in Cape Town brought together various organizations and activists to mobilize politically against the privatization, outsourcing and subcontracting of municipal services in the city. The APF was significant as it represented a continuation of the *social movement unionism* tradition of the union and its renewed relevance in the post-apartheid era (Lier and Stokke 2006; Lier 2007). At the same time, SAMWU's alliance building initiative soon faced obstacles stemming from the deeply divided civil society that had emerged in

the second decade after apartheid. As a government ally through the COSATU–ANC–SACP alliance, it became difficult for SAMWU’s leadership and many of its members to accept that SAMWU activists had joined forces with an opposition that was openly ideological in its resistance, which blamed the ANC for failing to deliver, and which engaged in militant confrontation. In Cape Town, the APF initiative eventually petered out and gave way to a series of more case-specific campaigns, focusing for example on issues such as water safety (Jordhus-Lier 2012b).

Standing up to union rivals, employers and local media

In many of these engagements, SAMWU’s political leverage was challenged by union rivalry and its relative strength vis-à-vis the Independent Municipal and Allied Trade Union (IMATU). Municipal workers essentially faced a choice between a militant politicized union that opposed the restructuring process and any forms of casualization and privatization, SAMWU, and IMATU, a union that focused solely on the individual interests of its members and the benefits it could offer them. This had implications for *how* workers and communities were politically represented in local government. While SAMWU was a political union that based its stance on privatization and outsourcing on socialist ideology, IMATU explicitly rejected the notion of having a social or political role. The unions also differed in terms of internal organizational democracy. While IMATU leaders could make swift decisions when engaged in negotiations with employers, SAMWU was committed to a report-back system that included its more than a hundred shop stewards, which in turn communicated with the wider membership. Political processes involving SAMWU could therefore be time consuming, and it comes as no surprise then, that CoCT managers preferred doing business with IMATU.

SAMWU’s space for negotiating with the CoCT on issues of restructuring, service delivery and casual employment has been intensely contested, and was arguably reduced during the most intense phase of restructuring in the mid-2000s. Representatives from SAMWU and CoCT management became bogged down in a disagreement on the union’s mandate in these talks – often in relation to the words ‘consultation’ and ‘negotiation’. While SAMWU insisted on bringing a range of different issues from its broad political agenda to the negotiation table, the CoCT did not recognize it as a legitimate negotiation partner on service delivery issues. Interestingly, in connection with our introductory discussion on democratic concepts, it is democratic legitimacy through

electoral representation that is used to dismiss the union's influence over service delivery issues:

Everytime we have tried to talk to them, they put on the table a veto. In other words: 'Yes, we want to talk to you, but stop everything you are doing, we want to approve your structure, we want to approve your service delivery plan'. Let me tell you one thing, they are not accountable for service delivery here. Who are they accountable to? Nobody voted them in. These politicians have been voted in through a legitimate, free-and-fair election. And they are accountable through their various parties to the electorate for service delivery. In the management role, it's the City Manager – in terms of the Systems Act and the Structures Act – and . . . managers like ourselves and the directors who are responsible and accountable. Not the union. And therefore we cannot go into consultations with the union where they say: 'We will tell you how to structure your organisation. We will tell you how to deploy your workers'. It's not their expertise. Nor is it their role.

(CoCT senior manager, 15 June 2007)

To put it in simple terms, the city managers did not deny workers a political voice. But they circumscribed their influence as an organized collective. Firstly, CoCT acknowledged municipal workers as employees with certain individual rights. Secondly, the employer only allowed their union to play a limited role in bargaining matters concerning employment issues. Thirdly, SAMWU was denied any mandate as a legitimate representative on service delivery issues.

The fractured attempts by SAMWU and CoCT leadership to meet, consult and negotiate in particular forums and at particular political scales generated an interesting dynamic throughout the restructuring phase. On several occasions, this culminated in open confrontation that took union–state interaction out of metropolitan government and onto the streets. Nevertheless, the relationship was first and foremost one of debate and negotiation. The dynamics of the provincial chamber of the South African Local Government Bargaining Council provides a telling example. Here, representatives from SAMWU and IMATU met employer representatives as well as a number of councillors – meaning that employee and employer representatives met face to face with elected politicians. This space was seen by SAMWU as an opportunity to take a broad-based approach towards service delivery issues, occupational health and safety issues and so forth. However, union representatives

argued that the employers were pressing for a de-politicization of labour relations within the CoCT. For example, the CoCT proposed to exempt politicians from committee meetings on the grounds that they were only dealing with 'technical issues'. SAMWU, on the other hand, saw this as an attempt to remove important political discussions of service delivery, workplace health and racism from the political sphere and into 'management'.

In sum, difficulties in establishing effective spaces for negotiation coupled with what many workers perceived as a 'unilateral restructuring' process on the part of the CoCT resulted in a great deal of frustration among SAMWU members and increased tension between SAMWU and CoCT representatives. This frustration was manifested through industrial action with a series of strikes and pickets in 2007 and 2008. Needless to say, acts of union militancy and state brutality did not pave the way for constructive negotiations between the union and CoCT, although talks have been ongoing in both camps.

Trade unionists have also found their dealings with media problematic in the post-apartheid era. Not only because they are portrayed as trouble-makers, but also because the mainstream media portrays their wage demands as a threat to service delivery. SAMWU has been forced to engage in a battle around this discourse, as is evident from a 2009 press release:

SALGA [the employer association] and other commentators have been attempting to undermine the legitimate wage demands of our members by stating that the costs of meeting these demands will be passed on to the ratepayers in the form of double-digit service and rates increases. SALGA has gone so far as to say that local authorities will cut-back on their free supply of electricity and water to communities. This outrageous claim is clearly aimed at driving a wedge between local communities and municipal workers and is scare-mongering of the worst order. The vast majority of our members are drawn from the very communities that are this very moment up in arms at the poor state of service delivery in their communities. The non-delivery of free basic services is their daily lived experience! It is these very communities that have come out in support of our strike.

(SAMWU 2009)

Despite its polemical character, this statement is interesting because it goes straight to the heart of the discussion on who represents 'workers

and the poor', with SAMWU of the opinion that the employers were attempting to pit citizens against public services providers.

Conclusion

Notwithstanding the challenges depicted above, SAMWU remains a strong trade union in local government. But the case presented in this chapter clearly does not relate a shining example of democratic transformative politics. On the contrary, it identifies some critical dilemmas that trade unions need to tackle if they are to maintain a transformative political role after a democratic transition – other than that of being an interest organization for paying members. At the heart of the paradox is this: a democratic society, often the main aim of oppositional movements under authoritarian regimes, calls for a very different kind of union than the one that successfully fought for a political transition. This is not to say that post-transitional unions should simply mimic the political unionism of western post-World War II societies. Indeed many observers call for trade unions in the 'old economies' to take inspiration from the social movement unionism of South Africa and Brazil in order to regain relevance (Moody 1997; Munck 2002). However, the case of SAMWU shows that a civil society orientation echoing anti-apartheid tactics is complicated by its loyalty to ANC's political project. As has also been the case with other national governments with liberation struggle credentials, the ANC has not been able to fulfil the social transformation that Buhlungu (2010) argued was the historical rationale for African trade unions.

SAMWU has had to strike a balance that led it to pursue multiple strategies. This political exercise can only succeed if the union manages to adapt to the outcomes of both its successes and its failures. SAMWU, on the one hand, has to manoeuvre the multiple democratic spaces and post-apartheid institutions. This means that it has had to forge constructive relationships with elected authorities, municipal management, forums of participation and the media. On the other hand, it has had to face the fact that the economic restructuring that it vehemently opposed was already well underway, and unless SAMWU began to *represent* the workforce of a new, fragmented, outsourced municipal labour regime, it would end up like its rival union – representing a relatively well-off core of permanent employees who tried to distance themselves from the precarious position of temporary staff, private sector workers and community labourers.

The case of SAMWU in Cape Town also illustrates two other challenges. One of the biggest differences between taking part in a national liberation movement and playing a role in consolidating democracy is that the scales of politics are reconfigured. In the post-apartheid era, strong metropolitan municipalities epitomize the role entrusted to local government in development. This requires strong local union organizations with the capacity not only to mobilize its constituency, but also to engage with local authorities. Secondly, the limits of what constitutes trade union politics are tested in the democratic era. Whereas township politics, national liberation and workplace struggles were interwoven during apartheid repression, South African workers and citizens now have the option of taking part in local democratic structures, electoral processes and (supposedly) participatory planning processes – as individuals or as an organized collective. As poor South Africans grow frustrated with the lack of social change, SAMWU remains committed to a socially oriented political mandate whilst encountering authorities and conservative media with a very different understanding of a trade union's role in a democracy.

Perhaps neither social movement unionism nor neo-corporatism is a model that appropriately addresses the challenges of post-transition trade unionism. In South Africa, the former is an ideal from the 1980s that still has relevance because it highlights how trade unions that fail to involve themselves in community issues enter a crisis of representation, but it is also insufficient as a model for political engagement. In contrast, neo-corporatism represents the complete transformation from street and workplace unionism to professionalized consultations with political and administrative authorities. Finding ways to effectively engage with both communities and authorities and thereby contribute to democratic transformative politics is difficult, and is complicated by de-unionization in the labour market and de-politicization of industrial relations – difficult, but not impossible.

Notes

1. Even though South Africa's case is unique, the renewed emphasis on multi-party elections as a vehicle of democratization took place in other countries across the global South during what Huntington (1991) referred to as the 'third wave' of democratization. In the 1990s, democratization also often coincided with economic restructuring and privatization, meaning that the 'double transition' in South Africa in fact holds many similarities with the challenges presenting labour movements in other countries.

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PROOF

10

Transformation Institutionalized? Making Sense of Participatory Democracy in the Lula Era

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Introduction

Brazil's recent social changes have been dramatic. Apart from the impressive reduction in poverty and seemingly inexhaustible economic growth of recent years, the country's politics seem like a testament to the possibilities of social-movement-driven change. With the end of the military dictatorship (1964–85), social movements of all sorts emerged as protagonists of a new kind of politics. They were radical, yet democratic; they challenged the system, but were oriented towards a sense of the public good; militant, but also civic. The 'new trade union unionism', the urban movement, the health movement, the feminist movement, the black and student movements were some of the expressions of what Evelina Dagnino (2004) described as the 'new citizenship' of the time. In addition to imagining new democratic practices and institutions to challenge Brazil's deeply rooted social authoritarianism, these movements would largely find expression in the *Partido dos Trabalhadores* (PT), or the Workers Party. The election in 2002 of Luis Inácio Lula da Silva, a former metal worker and strike leader with little in the way of formal education, was the end of a 'long march through institutions' for the party, after two decades of failed national campaigns but often successful local administrations run on the principles of participatory democracy.

When Lula ended his term in office in 2010, 87 per cent of the people approved his performance as president, the highest approval rating in Brazilian history. In the public discourse, 'the Lula Era' and a phenomenon, *Lulismo*, have been named after him (Singer 2009). Scholars

generally agree that this is due to a distinctively successful combination of economic development and social policies and of growth with redistribution (Sader 2010; Anderson 2011). The latter has been characterized by the millions of people who have ascended to Brazil's lower middle class, the implementation of the *Bolsa Família* (the conditional cash transfer programme that has reached 40 million Brazilians), the real increase in the minimum wage (53 per cent during his presidency), and pension increases. It has also been an intensely participatory administration, with literally millions of individual Brazilians participating in one of the many conferences, councils and programmes created to foster dialogue and gather citizen input. Unions and social movements have been, for the first time in Brazilian history, systematically recognized as legitimate interlocutors in the national dialogue, having been invited to the table along with other stakeholders to debate with the federal government and its policies.

On the surface, it appears that in recent years, Brazil has succeeded in confirming the most hopeful *expectations* of the 'Transformative Politics' framework outlined in the introduction of this volume. That is, it appears to be, in the terminology of Stokke and Törnquist, a case where the existence of 'political agendas, strategies and alliances to introduce effective democratic institutions' conspire to 'promote substantive political equality and popular capacity to use democratic institutions to pursue their interests and aspirations'. One way perhaps to understand the story is as the gradual cumulative victories of movements over three decades in alliance with actors within political parties, together creating new democratic institutions at increasingly higher levels of government. Each step, in principle, helping to make the next step possible, right up to national level, which in partnership with civil society actors, aims at reforms such as the universal provision of a welfare state while deepening democracy.

In this chapter we propose a different interpretation. We focus on the first dimension of Transformative Politics, namely 'the primacy of politics via popular organization and public institutions' and retell the story of the rise of the Workers Party from the point of view of the evolution of participatory institutions over the last three decades. Our argument is that attentiveness to the instruments of political participation, the quality of participation within them, and their relationship to organized movements of civil society show that there was a pronounced shift between an earlier stage and the later years. During the earlier years, social movements and unions found expression within the party, and party agendas were often translations of social movement agendas;

participatory democratic institutions organized around the principles of 'sharing power' were crucial elements in rendering this alliance viable. In recent years, however, as the party rose to national power, social movements and unions have come to occupy a subordinate role. They provide political support to the national administration's mandates. Participatory institutions are today organized around 'listening and dialogue' and play perhaps an important legitimating role. But many issues of crucial importance to social movements, such as the direction of the country's economic development and national budgeting priorities, are today outside of their purview.

Our point of departure is that the participatory politics of the Lula administrations have accommodated contradictory logics and forces. We suggest that they can only be understood by applying a historical-dynamic approach. The key analytical issues are how the expectations for radical transformation are embedded in specific institutionalized experiences as well as in the social movements, and how these expectations clash with the logics of (state) power which seeks to bureaucratize, dilute and/or instrumentalize participation. After discussing the historical conditions that gave birth to the Workers Party, social movements and unions as particularly democratizing forces, we discuss local power experiments (in particular Porto Alegre in the 1990s) that were institutionalized and rolled out across the country. This set the stage for the expectations of a Lula victory in 2002. We then turn our attention to participatory spaces and the relationship between the national administration and organized movements. Our argument is that very many participatory spaces were indeed created under the Lula administration, organized as logical extensions of previous local experiments, but with a different logic. Instead of 'sharing power' and 'empowerment', the emphasis since 2003 has been on 'listening' and 'dialogue'. Governance, which had earlier been accomplished through participation, was now based on compromises within the National Congress. We suggest, by way of conclusion, that the framework of Transformative Politics needs to address three particular dimensions in order to fully describe the Brazilian case: first, the issue of institutions and their impact; second, the issue of active versus passive conceptions of democracy; and third, the issue of scale and scalability of politics.

The participatory legacy

If what drew attention to the PT in the 1980s was its novelty as an internally democratic leftist party that did not seek to dominate social

movements (Meneguello 1989), what caught attention in the 1990s was its model of local governance (Keck 1992). By the late 1990s, the PT had governed over 200 municipalities of all sizes. Often, these were successful attempts at governing with the real input of civil society, transforming the creativity of popular voices into a real, legitimate mandate. While among the cases documented by scholars there are failures, in many cases there is a transformation of local politics with the inclusion of many previously excluded voices in running the government. In addition to participatory budgets, PT administrations gained extensive experience working with councils on a diversity of public policies including those relating to women, Afro-Brazilians, youth and many others. By the end of the 1990s, the phrase 'the PT way of governing' (*o modo petista de governar*) became a trademark. It was synonymous with participation, transparency and good governance.

Since its founding in 1980 by union leaders, the PT's ideology has embraced sometimes contradictory elements such as workerism and class-consciousness, a participatory democratic ethos, a commitment to social movement autonomy and a desire to govern by these principles. Indeed the PT has been referred to as a *social movement party*. Since its inception, it has had a close relationship with popular movements, unions, human rights groups, the progressive church and others.

When in power, the main problem that the PT faced was negotiating the political demands of the party's base in a way that did not jeopardize the party's ability to govern. One of the recurring problems of many PT administrations, particularly where local movements and public sector unions comprising the PT's base were strong, centred around the inability of administrations to distance themselves from demands that could not possibly be met given current finances. Early attempts at governing municipalities in the 1980s and in the early 1990s thus often ended in a knot of endemic problems: splits between party factions; conflicts with organized bases of support such as municipal workers; the inability to govern with a minority in the local legislative; and the distrust of segments of the population who only experienced the resulting failures of governance such as week-long bus strikes. Some administrators, such as in the city of Santos or in Porto Alegre, nevertheless successfully implemented participatory programmes as a strategy for the negotiation of demands and the legitimation of platforms with the population at large in ways that helped avert some of the conflicts. In best-case scenarios, participation provided solutions to some of these dilemmas of 'radicals in power' (Baocchi 2003).

Successful programmes such as the Participatory Budgeting in Porto Alegre drew broad sectors beyond organized social movements as empowered decision-makers into matters of governance, in this case deciding specifically on new forms of local investment. While the decentralization of government has not done much to improve overall regional inequalities, it has nonetheless created institutional spaces for local actors to carry out innovative reforms in governance. It created settings where claimants themselves could be part of the negotiation of demands; in terms of governance, this generated legitimacy for strategies of governance, if not improving governance directly (Baiocchi 2005). The quality of this form of radical democracy, which turns both social movement participants and unorganized citizens into discussants, is dependent on the autonomy of these participatory spaces from party control. The degree of autonomy is evident in Participatory Budget meetings where PT members do not participate as 'party members' but rather as independent citizens or as members of civil society organizations with rules strictly prohibiting the meetings from being turned into partisan spaces (Baiocchi 2004: 211). By resolving conflict in participatory settings, administrators have found ways to generate consensus around redistributive platforms, and have helped prevent conflict with the administration. In time, Participatory Budgeting became a signature of the 'PT way'.

Although the PT was the first political party in Brazil to implement participatory policies in a systematic way (and to embody participatory principles in its programme), it is important to mention that this participatory legacy in Brazil has always been broader than the party. Since the 1980s, urban social movements actively participating in the pro-democracy movement made demands for more accountable forms of city governance, calling for decentralization and citizen participation in the running of city affairs as a basic right of citizenship (Moura 1989). Activists linked to liberation theology, popular education groups inspired by the theory of critical pedagogy of Paulo Freire (1970) and NGOs of various stripes all advocated participation. These were sometimes inspired by and sometimes reinforced the experiences of left parties, particularly the PT. These spaces of overlap between parties and meetings produced a fertile breeding ground for ideas that served to spread participatory democracy. For example, the participatory paradigm was already present in the constitutional process, in caravans and popular initiatives, laws and also embodied in the democratic 1988 Constitution itself.

This participatory spirit marked social policies that followed, and legitimized old struggles such as the health movement. One of the first major policy reforms after the founding of the constitution was the creation of the Unified Health System (SUS) in 1990. It established municipal health councils that were in principle supposed to exert social control over the budget and define public policies. It was documented at the time that the supporters of this idea identified themselves as members of the 'the party of SUS' (Escorel 1998). Many public policies followed that were also similarly decentralized and had a strong participatory mandate. In the early 1990s for example, the Child and Adolescent Services adopted a council structure, as did the National System of Social Assistance. For many observers and activists from abroad, Brazil became a privileged locus of studies on innovation in and inspiration for democratic politics and citizen participation in public policy (Fung and Wright 2003; Dagnino 2004; Dagnino *et al.* 2006).

The 2002 prospects

It is not surprising, then, that the PT's first national victory in October 2002 raised expectations about popular participation in government. The idea of participatory governance was enshrined at the 1999 party congress in the 'Program for a Democratic Revolution' (PT 1999). This programme lays out the foundations for an eventual PT national administration. The *Democratic Revolution* under a PT presidency would mark the beginning of a long transformation of deepening economic and social democracy, extending human rights and citizenship to the country's majority, reforming institutions of representation and increasing democratic and direct control over the state. While the party did not want to exist as a perpetual party in opposition, it understood that 'it is not enough to arrive at the government to change the society. It is necessary also to change the society to arrive at the government'. The *Democratic Revolution* is viewed as a long process, but not one that is inevitable. It involves the reorganization of society, politics and the economy with a new hierarchy of values based on equality, freedom and solidarity. Education, health, literacy, welfare and economic well-being are all central to the democratic thesis.

The programme reiterated the PT's unique strategy of not only participating in municipal and state governments and the parliament, but of combining this with different social struggles using strategies as broad as land occupation, strikes and other mass mobilizations. It also stressed the necessity of extending party affiliations in order to make

the integration of new activists into the party easier, as well as continuing dialogue with academics, artists, intellectuals, professionals and social movements. A centrepiece of the programme was extending the experience of local-level administrations to national government.

And while there were serious calls and discussions around a Federal Participatory Budget in the months leading to Lula's election, by August 2002 the authors of the government plan announced that the PT would be unable to implement this initiative, citing practical difficulties. The principle of Participatory Budgeting would be translated, according to finance-minister-in-waiting, Antonio Palocci, at the federal level as 'forums for debate' (Folha de São Paulo 2002). Nevertheless, Federal Participatory Budgeting remained part of the 90-page government plan issued by the PT, even though it was limited to one sentence recommending its adoption.

Participatory institutions in the Lula administration (2003–10)

According to the slogan, Brazil under Lula was supposed to be 'a country for all' and as such, the administration created a large number of participatory spaces. It created or revived national councils on a variety of issues and instituted 'national conferences' in the form of thematic meetings throughout the country, with local delegates attending national meetings. There are three noteworthy aspects of this national participatory policy. First, the uncoordinated nature of these participatory spaces with their constitution and composition often linked to particular ministries and related movements (the ministries themselves having been doled out to particular factions and political parties as part of the PT's political pact with the governing coalition). Second, disappointment on the part of civil society and progressive sectors of unions and political parties with these spaces over the lack of effective decision-making power over important policies; and third, the organizing logic of 'dialogue and listening' characterizes these spaces much more than the previous logic of empowerment and power-sharing.

Broad-based participation

Perhaps the most striking feature of participatory policies under Lula is their scope. At national level, the emblematic and most developed example is the health sector, where the participatory spaces are federally organized. There is one national council, 27 state councils and more

than 5000 municipal councils in the health sector, and every four years there are 'health conferences' held throughout the country leading to a national meeting. By 2010, one could identify 68 institutions that might be considered national councils, more than a third of which were created under President Lula. The only other time in Brazilian history that so many councils were created was in the period immediately after the ratification of the 1988 Constitution.

One telling example from the Lula is that of the Ministry of Cities, headed in its first two years by Olívio Dutra, the PT's first mayor in Porto Alegre (1989–92) and then its first governor in the state of Rio Grande do Sul (1999–2003). The ministry implemented the City Statute having been adopted by Congress in 2001 as a result of the civil society movement for urban reform. This new policy 'sector' is actually composed of multiple sectors with a mandate to carry out transformative reforms connected with social housing (*habitação popular*), urban dwellers' land rights, installation of adequate sanitation infrastructure (water, sewage and drainage) and urban collective transport systems. In addition to social movements, participants in these sectors include business associations, scholars, NGOs and municipal governments. More importantly, the sector has adopted a governance system that is participatory and multi-layered at the same time. Every two or three years, deliberative 'city conferences' are held that are open to all civil society associations active in the city. These elect delegates to a state conference of the cities, which in turn sets up a permanent state council of the cities and appoints delegates to the federal conference of the cities and members of the federal council of the cities. As part of the administration's policy of broad congressional coalitions, however, the Ministry of Cities, came to be run by the conservative 'Progressive Party' (PP) in 2005 as part of a political compromise, a move that was seen by many observers as a step backwards.

Data on national conferences are even more surprising. Seventy-two such national conferences were held during Lula's two terms in office in comparison to the 22 held under President Cardoso's administration from 1995 to 2002 (SGP 2010). The conferences held under Lula's administration dealt with 40 different themes, 28 of which were discussed for the first time. According to the available data, the conferences have mobilized 5.6 million participants (2.2 million of which attended conferences specifically dealing with children and youth issues), passing some 14,000 resolutions. That said, the number of people involved in each conference has varied as has the degree of society's involvement in defining the resulting policies. For example,

the First National Conference on Sports in 2006 did not reflect high levels of collective action. It involved 42,000 people in 180 municipal, 140 regional and 26 state conferences. In contrast, the First Conference on Racial Equality mobilized existing social movements and organizations and counted twice as many individual participants. It may be that the discussion of guidelines and national action takes place at the stage of local-regional preparations, as was the case of the National Environment Policy. Or it may be at the conference itself that such space is provided. The National Plan for Culture, for example, was debated in the first conference in 2005, and led to the creation and maintenance of so-called *Pontos de Cultura*, a network of public spaces for production, diffusion and capacity 650 of which active by 2009.

Looking at the composition of these conferences and who they mobilize, the picture is revealing. Based on the official data of the General Secretariat for Participation (SGP 2010), approximately 70 per cent of participants came from civil society and 30 per cent were members of government (national, state and municipal). But once we disaggregate 'civil society', we see that only 34 per cent of representatives are from social movements, 21 per cent represent business interests, and 15 per cent come from the unions. The high number of business interests is telling, as part of the argument for the creation of these spaces is that they provide opportunities for those who are under-represented politically. Also represented, although to a lesser extent, are religious organizations, academia, professional associations, representatives of state and municipal councils.

Lack of decision-making power

One of the common refrains widely reported in the literature is that social movement activists have complained of a lack of effective decision-making power in participatory spaces. That is, time and again, conference resolutions that go directly against government policy or powerful economic interests do not get adopted as policy. Moreover, pillars of the administration such as the *Bolsa Família* (the income transfer programme) and PAC (the anti-crisis economic measures of 2008) did not go through participatory spaces and ignored more progressive alternatives. In fact, (as has been argued by a former head of the Ministry of Cities), the participatory spaces in Brazil do not discuss structural issues (such as transfers of funds to the financial sphere through the payment of interest on public debt, or decrease in social policy) by design (Maricato 2011).

The participatory processes on economic issues are telling. Some well-publicized efforts, including in the establishment of the Council of Economic and Social Development (CDES) and a consultative process on the national multiyear plan (PPA), drew on veteran local PT administrators with participatory experience in prominent positions. These and other efforts, however, have been marred by administrative inconsistency, lack of clarity regarding the role of popular input, and the relegation of the final decision-making to the administration itself.

The CDES was set up to create a state–civil society dialogue aimed at fostering a ‘new social contract’ (Genro 2004). Roughly modelled on similar national councils in social-democratic countries,¹ the CDES includes representatives from government, business, trade unions and civil society in addition to the presence of 12 ministers. Headed in its first year by Participatory Budget architect from Porto Alegre, Tarso Genro, the CDES was heralded as an ‘important instrument’ for making debate surrounding policy questions more democratic. Unlike instruments such as the Participatory Budget, however, the CDES is not vested with decision-making powers and participation in it is limited to a few civil society representatives. It has also been criticized for allowing little room for participant-initiated agenda items (Genro 2004). In addition to allowing the administration to articulate a coalition to support its structural reforms, the CDES has accomplished little. For example, after a series of meetings in 2003 on macro-economic policy, the council proposed reducing interest rates and increasing public investment.

Similarly, the PPA held for some the prospect of creating a participatory process on national investment priorities. A process of consultation with civil society took place in all 27 states, and culminated with a proposed PPA in August of 2003. The PPA was extensively modified by both the executive and Congress, and resulted in a final document that ultimately privileged certain exporting industries such as mining and agro-industry, and included dam construction projects that were heavily criticized by civil society observers.

Indeed in 2006, the executive branch submitted a budget to Congress that was unrelated even to the modified PPA. Like the CDES, the PPA process invoked the language of participation, but had an unclear mandate as far as linking that participation to decision-making. And also like the CDES, it became a process that included consultation but mystified ‘technical decisions’ such as interest rates or budgetary priorities as the exclusive realm of government technocrats.

Listening and buffering conflict

If earlier experiments expounded 'power sharing', 'co-management' and 'people power', the new predominant terms became 'dialogue' and 'listening'. This semantic change is significant.

One important factor that made the Lula administration different from anything else in the Brazilian past was the recruitment of militant social movement activists into government. New departments and ministries were created (including for women, human rights, racial equality, agrarian development, solidarity economy and cities). This meant that people from social movements (or very close to them ideologically) stepped into administrative positions within in the federal government. In a sample survey on the profile of politically appointed employees at the federal level under Lula, 45 per cent were unionized and 46 per cent participated in social movements, figures well above the national average of associational patterns (Araújo 2007: 44).

The government has also redefined the role of the Secretariat of the Presidency of the Republic, vesting in it the lead role of 'articulator of participatory politics'. As Costa Sobrinho (2011) has pointed out, however, rather than focus on implementing this role, the Secretariat has prioritized buffering conflicts. Moreover, the group within the secretariat responsible for participatory politics did not see their role prioritized in terms of resources, people or strategies. In examining the overall functioning of the Secretariat, Costa Sobrinho also points out that more energy was spent on talking to those strategic actors who were resisting government proposals as there was an assumption within the Secretariat that all conflicts are negotiable, and that a win-win solution is always attainable.

The number of public hearings held during the period is also noteworthy. From 2003 to 2010, 515 hearings with civil society were organized by the General Secretariat of the President. Of these, 326 were with business and employers. In other words, listening to social movements was not a priority, either because they were in direct dialogue with other ministries, because they were considered less strategic or because they were exerting less pressure on the government.

We conclude this section by noting that in the Brazilian literature, although impressive in their numbers, these participatory spaces are not considered sufficient to meet the challenges of popular participation (Dagnino 2004; Tatagiba 2004; Côrtes and Gugliano 2010). Recent studies analyse them, on the one hand, in terms of the redistribution of political power, and on the other, as existing forms of collective action

and modes of interaction between civil society and state. The dominance of health workers to the detriment of users in the National Health Council is one of the findings of the current research (Côrtes *et al.* 2009). There is a feeling of general disappointment on the part of organized civil society, which points to the lack of effective decision-making power linked to these spaces.

Relationships with social movements

Since its inception, the PT has had close relationships with a wide range of social movements, having been described as ‘a political expression of popular and grassroots objectives without attempting to control or co-opt its own basis of support’ (Guidry 2003: 103). Brazil’s largest social movement, the MST (*Movimento Sem Terra*, or Landless Movement), and the main labour federation, the CUT (*Central Única dos Trabalhadores*), have traditionally been closely linked with the party, even if formally autonomous. There has usually been a considerable overlap in membership between them, particularly the CUT and the PT. Notable activists associated with these movements have risen to political prominence within the party, sometimes winning seats in state or federal legislative bodies. And perhaps most importantly of all, the party has until recent years always defended the claims of these movements in institutional settings. Throughout the 1990s, the PT was the party in Congress associated with land reform proposals or the fight for a higher minimum wage.

The Lula administration’s relationship with social movements in general, and with the MST and labour unions in particular, displays specific characteristics. For the CUT, one of the first issues they faced was the controversial pension reforms proposed by the Lula administration. As a way of reducing social spending, the administration reduced the pensions of several categories of civil servants, which occasioned large protests in Brasilia mid-2003. Subsequently, conflicts in Congress over the readjustment of the minimum wage led to the curious situation in which the PT government defended a lower readjustment than right-wing parties wanted. Early on, movements were disappointed but hopeful that mobilization would yield positive responses from the government. João Machado, a member of the leftist tendency within the PT called *Democracia Socialista*, commented that by the end of the first year, the Lula administration had forced social movements to change practices, step-up opposition, actively ‘pressuring the government and opposing its choices’ (Machado 2005). The formation of the

Coordination of Social Movements (CMS) by the MST, CUT and other groups was, according to Machado, a response to this new challenge and the belief that 'a broad and unified popular mobilization alone can guarantee the conquests of the toiling classes'. Lula's second and third years in office saw an increase in confrontation, which included strikes and marches in Brasilia, but without the CUT or the MST breaking ties with the PT (Machado 2005). Even on the MST's biggest ever march, organized to push for agrarian reform in 2005, MST leader João Pedro Stedile made it clear that '[w]e know that in order to achieve agrarian reform, it is not a question of political will or the personal commitment of the president'. '[T]he march is not against the Brazilian government, but for agrarian reform and a change in economic policy' (cited in Fuentes 2005). Dissension within the PT also grew, leading to a few expulsions and the departure of several prominent *petistas*, who went on to form a breakaway party, the Party of Socialism and Liberty (PSOL, *Partido Socialismo e Liberdade*).

The CUT supported Lula's re-election campaign in 1986, though not without internal conflict. Frei Betto, a prominent liberation theologian, called on the support of progressive Christians in terms that seemed to capture the mood of activists in Brazil at the time when, speaking about Lula, he argued that 'he still owes us a lot', but '[we] are better with him than without him'. The MST, however, did not endorse Lula until the second round (Marques and Nakatani 2007). The MST's change in attitude towards the PT is evident in its statement on PT's performance:

Our analysis of the Lula government's policies shows that Lula favored the agribusiness sector much more than family-owned agriculture. The general guidelines of his economic and agricultural policy have always given priority to the export-oriented agribusiness. And agrarian reform, the most important measure to alter the status quo, is in fact paralyzed or restricted to a few cases of token social compensation.

(Stedile 2007)

For many previously ardent PT supporters this was a vote 'for maintaining living conditions, not for Lula's political project' (post-election CMS statement as cited in Wainwright, 2007). While disappointed with the progress of agrarian reform, Stedile claims that, '[o]nly the strength of millions of mobilized, politically aware Brazilians will help the government to face those [powerful] interests and change the current economic model. We are hopeful' (Stedile 2007).

The Council on Land Reform was established under Lula, and there has been significant participation. However, because the ministry in charge of land reform is itself underfunded and thus unable to carry out its own policy directives, participatory democracy in this context has been 'by default' rather than by design, in the words of Wolford (2010). The MST participates in the forums by regularly transgressing its boundaries as a way to make claims beyond what facilitators can provide. The Council on Land Reform serves the MST as long as it can disrupt it and make specific gains, but the analysis is that it has done very little to actually advance land reform (Stedile 2007; Wolford 2010).

The National Labor Forum, established by the government in 2004, was imagined as a site to:

[...] bring together workers, owners, and the government itself to create a consensus around [...] democratization of labor relations by adopting a labor relations model based on liberty and autonomy; update labor legislation and make it more compatible with the new exigencies of national development [...] to modernize the institutions of labor regulation.

(Molin 2011: 194)

First there were state-level conferences where union reform was debated, which attracted a total of 10,000 participants. In addition, conferences, meetings, workshops and preparatory debates brought together another 20,000 participants. By 2004, representatives of the three main labour federations were present at the national-level forum, but despite efforts at consensus-building, the administration's proposals were seen as too pro-market by some.

Divisions over whether to support the administration or break with it were largely behind schisms that led to the formation of four new national labour federations that split from the old ones. Nevertheless, a constitutional amendment (PEC 369/05) was sent to Congress with a 'weak consensus' and largely with the government's wording and it was through CUT's influence that the constitutional amendment was passed. CUT in particular, which had long defended the freedom to organize and pluralism in labour relations (in line with the ILO's position), backed the government's proposal. Other critiques by progressives within the labour movement were that the constitutional amendment contained 'liberal and pro-business bias' in its emphasis on private arbitration and labour flexibilization.

CUT's leadership justified their position as a defence of 'possible labour reform' (Druck 2006). Even sympathetic observers noted that, '[t]he unions filled an important position in providing the administration with political support, although their role in the exercise of power was a subordinate one' (Boito and Marcelino 2011). This led to new cycles of strikes. Between 2004 and 2009 there was an average of 360 strikes a year involving 1.5 million strikers (Boito and Marcelino 2011). Baltar *et al.* point to 'the minimum wage revaluation policy, social security, income transfers and improved wage bargaining', as well as to 'increase in protected work, mainly on open-ended contracts, the raising of the minimum wage, the recovery of the average wage, a drop in open unemployment and curbs on unprotected subcontracting' (2010: 34). As political scientist Wendy Hunter noted recently, radical factions have found it difficult to mobilize critical opposition against a president who 'presided over a set of policies that yielded growth, kept inflation at bay, diminished poverty and appeared to make some inroads into Brazil's long-standing socio-economic inequality' (Hunter 2010: 176).

From *Petismo* to *Lulismo*

Two types of transformative politics have evolved around the PT in two different periods, each with distinct political agendas, overall strategies and alliances. The terms *Petismo* and *Lulismo* are used in the Brazilian debate on the PT's development (Singer 2009; Rennó and Cabello 2010; Ricci 2010). We are also of the opinion that these concepts describe the two types of politics well.

Petismo refers to the 'PT way of governing' (*o modo petista de governar*) as it was perceived by the public in the 1990s: direct democracy and ample popular participation; crusade-like campaigns against corruption, patrimonialism and clientelism in the municipal and state institutions; and socio-economic redistribution through improved public infrastructure and services benefitting the subaltern classes, in contrast to the privatization and austerity policies offered by the neoliberal right-wing. The PT's overall strategy was to transform Brazil to a socialist country by democratic means. The alliances promoted were with other left-oriented parties and groups, the trade union movement and the new social movements connected to a wide range of struggles concerned with issues such as decent housing, land, environment, Afro-Brazilian culture and minority rights (including lesbian, gay, bisexual, and transgender (LGBT) and indigenous peoples). While the *petista* way of governing managed to bring some unity and coherence to the diversity of agendas

and interests – and in many states and regions it managed to become an ideologically hegemonic block – it never managed to attract a stable majority among the electorate, not even in strongholds such as the state of Rio Grande do Sul and the city of Porto Alegre. At national level, Lula suffered repeated defeats in the presidential elections, and the PT was isolated in the National Congress as well as in the assemblies of almost all the federated states. Local radical experiments in municipalities frequently experienced discontinuation because they lacked financial and technical support from state and federal authorities. The participatory and local way of transforming Brazil was simply not able to sustain itself.

In a gradual learning or ‘revisionist’ process that began in the mid-1990s, and which culminated just before the second round of the presidential elections in 2002 with its ‘Letter to the Brazilian People’, the party leadership initiated a profound change in the PT’s agenda, strategy and alliance building. The overall aim was to win the presidential elections. The broadest possible centre-left electoral alliance was pursued. It was more important to expose the charismatic personality of the candidate, Lula, than to educate the electorate about its political programme. More and more power was concentrated in the hands of the party leadership, dominated by Lula’s increasingly pragmatic trade union friends. The leadership listened more to its carefully composed advisory teams of economists and marketing experts than to its own rank and file. The political programme was de-radicalized. Conservative or even neoliberal macro-economic policies were combined with certain social and redistributive measures. Due to its pragmatic concern for maintaining allies on the centre-right and, increasingly, in order to do well in the next elections, the party became more tolerant of corruption. It was even caught committing the biggest public-contract-for-money-to-the-election-fund crime in Brazil’s political history, the so-called *mensalão* (big monthly payment), in 2005. Obviously, a new type of politics had emerged that clearly overshadowed the old *Petismo*.

Achievements and limits of Lulismo

Lulismo refers to the post-2002 politics centred on President Lula. To what extent has *Lulismo* enhanced transformative politics? The main difference between *Lulismo* and *Petismo* is that *Lulismo* has replaced local participatory political institutions with a number of nationwide economic institutions, namely federal financial transfers, the household and the market place as the main arenas for change. Three sets of policies have spurred these changes. First, the government has skillfully

managed stable growth in the national economy and in private sector employment combined with firmer interventions in the labour market, including a sharp increase in the minimum wage. Typically, when the global financial crisis erupted in 2008, the Lula administration took bold anti-recession measures through a federal 'programme for accelerated growth' (PAC). Second, it has designed programmes for conditional cash transfers such as the *Bolsa Família* programme, targeting the poorest families of the country. Third, its financial austerity policy leading to huge primary *superávit* (surplus) on the federal budget has served to service debts to foreign and domestic financial institutions. Consequently, Brazilian banks have had the capacity to make generous consumer credit provisions. Even the poorest sections of society have had access to credit cards and other banking services.

These policies have yielded important socio-economic results. In 2011, unemployment reached a historical low of 6 per cent. The number of workers with a signed work contract, and thus able to enjoy the rights and benefits of formal employment, has increased from 54.8 per cent in 2000 to 65.2 per cent in 2010. Furthermore, the number of families living in extreme poverty has been halved and 28 million people were been pulled out of poverty from 2003–10. Income inequality has been reduced. The 2010 national census shows that from 2000, the poorest 50 per cent of people in Brazil increased their income by 68 per cent, while the richest 10 per cent only increased theirs by 10 per cent (Carta Capital 2012a). This has enhanced massive upward social mobility. Thirty-eight million people have moved into income category C ('lower middle class') of the national statistics, and approximately half of the population belongs to this category. Social strata that have historically been excluded from the mass consumption society of modern capitalism have become economically 'empowered'. It is this 'new middle class' that forms the main social base of *Lulismo* (Ricci 2010). However, *Lulismo's* electorate is marked by a pragmatism quite similar to that of the *Lulista* state managers. Electoral support for Lula and his successor Dilma Rousseff is based neither on strong political or ideological preferences, nor on strong identification with the personality of Lula. Instead, retrospective evaluation of the government's performance seems to determine the vote (Rennó and Cabello 2010).

It is therefore not certain that *Lulismo* is capable of building a social-ideological basis for an enduring political project, for a 'Brazilian social democracy' for example. Although classical social democracy can be characterized by pragmatism and multi-class support, some core elements of stable working class support and left-oriented ideology have

also been prerequisites. Technocratic excellence in state and public policy management is not sufficient. Missing from Lula's administration has been a more central role for movements and unions through which to define the political character of the regime in an active way.

Additionally, it is evident that there is a continuation in state policy from Fernando Henrique Cardoso (1994–2002) to Lula and Dilma. If using the typology developed by Gøsta Esping-Andersen (1990), one can identify a pattern that leads Brazil towards a welfare capitalist society closer to the South European or Christian Democratic version (which since 2008 has been in deep crisis) rather than the Scandinavian or Social Democratic type.

First, the Brazilian welfare system is based on conditional cash transfers while the social democratic model prioritizes the expansion of public service provision in order to ensure universal and equal access to education and health. In Brazil, federal public spending was 18.9 per cent of the GDP in 2001. This increased to 21.6 per cent in 2010. Seventy per cent of this increase was spent on cash transfers to families, which rose to 10.53 per cent of the GDP in 2010, up from 8.64 per cent in 2001. However, federal investment in infrastructure only increased from 0.43 to 0.77 per cent (IPEA 2011). In 2009, total public investment by the three spheres of government (federal, state and municipal), was only 2.9 per cent of the GNP. This is extremely low in an international-comparative perspective. The level of public investment in Brazil from 2000–10 was only one third of the average spending of 25 middle income countries with a GDP per capita similar to Brazil (Afonso 2011). But even more important, federal government consumption in terms of salaries and purchases fell from 4.33 to 3.99 per cent of the GDP (IPEA 2011). This contributes to a very low share of the labour force working in the public sector, only 8.4 per cent, with a severe impact on the labour intensive service sectors such as health and education. While a large majority of the population depends entirely on the government for the provision of education and health services, the corresponding public sectors are underfunded and of questionable quality. The private market for health services has a larger share of the GDP than the public sector, and the private sector has increased to the detriment of the public institutions in the education sector too (Carta Capital 2012b).

Secondly, the Brazilian cash transfer system is highly conditional and 'targets' the poorest types of households/families based on the paternalistic will of the rulers, while a social democracy tends to emphasize unconditional support to the individual rather than the family, based on

universal citizen rights or rights acquired from (universal) participation in the labour market.

Concluding remarks

In Brazil, the 1988 Constitution and local PT administrations have secured the prevalence of participatory spaces in the governance system. What was added by Lula's 'pink' government in 2003 was an emphasis on sector policy making on a federal scale. Deliberative processes around local, regional and national conferences with ample social participation flourished. These conferences were accompanied by the establishment of councils with civil society representation to oversee the implementation of the formulated policies. While there was considerable civil society influence on policy formulation within the sectoral ministries, there were a number of setbacks when sectoral ministries needed to bargain with other ministries and the national assembly on issues regarding legislation and resource allocation. Civil society organizations have been proactive and influential in the deliberative processes, but in some policy areas influence has been obtained at the expense of autonomy and militancy.

At national level, the PT-led government has adopted participatory practices, but these were much less radical than those experienced at the local level. The paradox is that many of the policies considered successful by the Lula government have not even been discussed in the national participatory spaces. The Lula government did not have a clear strategy for participatory democracy, and perhaps more important, it has not enhanced any discussion of passive versus active conceptions of society participation in government. Pragmatic *Lulismo*, oriented towards piecemeal social and economic changes, has replaced the PT's previous emphasis on empowered participation and *Democratic Revolution*. This is even more clearly demonstrated by the administration of Lula's successor, Dilma Rouseff. The new middle class that has resulted from *Lulismo* is linked to improved access to private goods supplied by the market, not to the expansion of universal and high-quality services provided by the public sector. Private consumption rather than public participation underpins the logic of the new social forces that could push the PT and Brazilian politics into a more liberal-conservative direction. The former 'social movement party' (PT) has become a government and election machine, seeking votes from social strata that are increasingly associated more with evangelical churches than with trade union militancy and radical social movements.

Tentatively, how can this transformation of the Workers Party and its ideology, government strategy and main policies be explained? On a final note, we would like to present some hypotheses that in combination may solve the puzzle of transformative politics in Brazil.

First, there have been important internal changes in the PT itself (Amaral 2010). With Lula's presidential victory, membership of the PT increased from 400,000 to 800,000, many from the new middle class. Ideologically, the party moved further to the right, some of the more radical members were expelled, while others left the party in protest at the unfolding scandals and founded the Party for Socialism and Liberty (PSOL). Another important change was the introduction of the PED, direct elections for the presidency of the party, which caused internal alliances to form. This new form of internal democracy resulted in the local party faithful (the *nuclei*) – which were already weakened as a collective form of internal organization within the party – losing power to internal disputes and negotiation between different tendencies controlled by a handful of leaders.

Second, the demands of the civil society movements have been partially satisfied. Lula's government was much more open to social movements than previous governments. Although few concrete policies were introduced, the 'ritual' of going to Brasilia to attend meetings, councils and conferences has had a positive effect in comparison with the various forms of disqualification, if not repression, that they were subject to under previous presidents. There are new public themes and new government agendas that engage civil society organizations in a meaningful way. Although many of the militants are critical of much of what the government does, they stick with the PT and defend the government's record in comparison with previous administrations. In addition, a large number of the otherwise critical civil society leaders have been recruited into the offices of the government.

Third, the power structures surrounding federal *Lulismo* are different from those feeding the PT's participatory governance at the local level. It is a fact that 'coalition presidentialism', as identified out by Abranches (1988), remains strong at the federal level. Lula had no majority in the National Congress; his party won only 17 per cent of the deputies in Congress and the National Congress is not a City Council. The Congress has powers to render federal government unviable. Thus, instead of opting for participatory solutions to the problems and dilemmas of government, the administration combined horse trading and compromises in National Congress with diluted conceptions of participation. Furthermore, while progressive social movements have considerable influence

in urban settings, they have much less power at national level, where politicians funded by agribusiness with rural and clientelist constituencies tend to be over-represented. This reminds us that the scaling up of participatory democracy is, as suggested by Leonardo Avritzer (2009), a true challenge.

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Notes

1. The minister for social and economic development, Tarso Genro, met the Norwegian minister for international development, Erik Solheim, in Brasilia in 2003 and initiated a bilateral programme to exchange experiences of 'tri-partite cooperation' between employers, trade unions and government.

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Part III

Potentials for Post-clientelist Transformations

PROOF

11

Post-clientelist Initiatives

James Manor

Something fundamental has been changing in parts of the developing world. Many senior politicians have begun to de-emphasize the distribution of patronage (goods, services, funds and favours) through networks of clients. Political scientists call patronage distribution 'clientelism', and it has long been a crucial – often *the* crucial – element in politicians' efforts to cultivate support. But in recent times, a significant number have increasingly turned to 'post-clientelist' initiatives – to programmes and policies that are substantially or entirely protected from people who seek to siphon off resources for use as patronage.

This trend stops well short of being a 'transformation', and its importance should not be exaggerated. It has only been happening in some places, sometimes hesitantly – while in at least a few others, trends have been moving in the opposite direction. Nor should we assume that its implications are always unambiguously constructive and progressive. In some places, it has made governments more open and responsive to the needs of ordinary (and poor) people, and more effective in their responses. In some places, it has also helped to create spaces and processes that enable ordinary folk – and even poor, socially excluded groups – to take advantage of new modes of popular engagement.¹ In others, however, it has led to excessively centralized, illiberal regimes. But it is beyond doubt that clientelism has been so crucial to the political and policy processes in so many less-developed countries that efforts to de-emphasize it demand our attention

This change has occurred mainly because senior politicians have concluded that patronage distribution does not do enough to maintain their popularity and legitimacy, and thus their hold on power, and to produce satisfactory development outcomes, which in turn enhance their popularity. In many cases, they see that some of their subordinates,

who are supposed to make patronage networks work effectively, tend to pocket some of the resources or to demand exorbitant payments from clients and interest groups in exchange for largesse. Patronage is sometimes misallocated, so that key interest groups that are the intended recipients do not receive enough to maintain their loyalty. Efforts to adjust to these problems in ways that sustain clientelism – by for example, increasing the funds pumped into patronage networks – can lead to fiscal difficulties.² And even where these problems do not become serious, senior leaders see that patronage distribution alone is an inadequate response to mounting demands from organized interests and from ordinary people who have become more politically aware, assertive and impatient. That last trend has occurred partly because many political systems in less-developed countries have become more open and democratic in recent years, and because that forces many leaders to secure genuine popular endorsements to remain in power.³

Senior politicians, who loom large in this discussion, have received far too little attention in the literature on development, and even on politics in less-developed countries. Many analysts have focused instead on processes, structures and social forces – or on technocratic matters. Those things are important, but the unfortunate result is that we often get Hamlet without the prince. Senior politicians usually make most of the key decisions about politics, policies and development strategies. Political agency matters greatly. And when we see political and policy innovations occurring (as we do here), we need to accept that political agency can trump path dependency more often than some of the literature would have us believe.

It should be stressed that post-clientelist initiatives are almost always pursued *not instead of* clientelism but *in addition to* it, since it is politically risky to try to abandon clientelism. That would alienate too many powerful interests – including some senior leaders' key supporters. Post-clientelist initiatives do not replace patronage distribution; they supplement it. So we often encounter curious hybrids in which clientelist and post-clientelist strategies sit incongruously alongside one another.⁴ When we do, we must pay attention to changes in the relative importance of the two trends. In some cases, clientelism has been overtaken, but in many it has not.

Certain alternatives to clientelism, to which some politicians have resorted, do not qualify as 'post-clientelist' initiatives, as the term is used here. Efforts to generate excitement around identity politics (which seek to polarize society along religious, linguistic or caste lines) or populist

campaigns that mainly entail what Indians call 'tall promises' are excluded. 'Post-clientelist' initiatives entail efforts to execute development projects, and to deliver goods and services, in ways that conform to Weberian norms – so that they are implemented in an impersonal manner through disciplined and relatively impartial bureaucratic channels according to policy criteria, rules and sometimes laws established by senior leaders. Such initiatives or programmes have long been vulnerable to the bosses of clientelist networks who seek to divert resources from them to patronage distribution. Some post-clientelist initiatives still suffer somewhat from this practice, but the politicians with whom we are concerned here have increasingly protected such programmes – substantially or entirely – from such thievery. In some cases, they have designed new initiatives in ways which make them unattractive to patronage bosses.

Types of strategies adopted by senior politicians

Post-clientelist strategies are pursued – enthusiastically or cautiously – in some countries, while in others, things are different. So to gain some perspective, let us consider the range of approaches adopted by senior leaders that we encounter as we move from case to case across the developing world. The list below contains seven types of approaches – some of which occur often, and some of which are rarities. Post-clientelist strategies loom large only in categories (a) and (b), but category (b) contains a significant number of cases.

Three key, inter-related questions arise here. First, to what extent have post-clientelist strategies been pursued? Second, to put the question another way, what is the relative importance of clientelist and post-clientelist approaches? (Four of the seven items in the list below refer to situations in which clientelism always remains supreme.) Finally, how do the different strategies affect the flow of resources to ordinary people at the local level? In the real world, some cases straddle blurred boundaries between pairs of items in this list.

Most of the illustrations, which appear in notes below, come from India. That is logical since the trend towards post-clientelist approaches has gone furthest there. But as we shall see, the trend has also acquired some force elsewhere. (The strategies below are not listed in chronological order since the first two are recent trends.)

(a) *Curtailing clientelism*: In a small number of cases, senior leaders perceive clientelism as a pathology which diverts funds from government programmes that operate largely according to Weberian

norms. Since the ruling party relies mainly on the latter to retain its popularity, it develops mechanisms to detect and deter clientelist activities. Marked imbalances favouring post-clientelist programmes develop. Resources reach the local level mainly through government programmes.⁵

(b) *Supplementing clientelism*: This type of approach is especially common. Here the leaders of parties that have long relied on classic clientelism – type (c) below – recognize that it does not win them sufficient popularity because resources which pass through clientelist networks neither reach enough people and key groups at the local level nor produce satisfactory development outcomes. They therefore create government programmes that may achieve those goals, fund them generously, and prevent them from being bled by their political subordinates. They do little or nothing to curtail existing clientelist networks, as that would trigger resistance from powerful subordinates and interest groups. Indeed, the maintenance of existing networks may distract subordinates from the new programmes that are being created to supplement clientelism. As the balance (and the flow of funds) shifts from clientelist towards post-clientelist initiatives, resources tend increasingly to reach the local level through the latter.⁶

(c) *Classic clientelism*: Here the ruling party or group depends quite heavily on patronage distribution to maintain its popularity. But often, at least a few government programmes are partly or largely protected from the diversion of resources into patronage networks, and are implemented substantially according to Weberian norms. Resources reach the local level mainly through (informal, personalized) clientelist networks, but partly through (formal, more impersonal) government programmes and channels.⁷

(d) *Classic clientelism, centralized*: This is a variation on category (c) in which power in the ruling party (or group) is quite centralized. Such parties or groups usually seek to control or to disempower alternative power centres – civil society, organized interests, the media, opposition parties, government institutions outside the control of the executive. They are also usually hostile to programmes that encourage genuine (as opposed to ‘guided’) bottom-up participation. When public funds and profits from illicit activities are diverted into clientelist networks, senior party leaders control their distribution and so sub-regional leaders must operate under their discipline. Resources reach the local level mainly through centralized clientelist networks, but some government programmes (in which Weberian norms apply) usually exist. In recent times, funds that are channelled through clientelist networks have

often been obtained from massive ‘contributions’ by major industrialists – notably those involved in extractive industries in this era of high raw-material prices – who are given great freedom to pursue their enterprises, even though these may cause serious damage in certain localities.⁸

(e) *Radically centralized, partisan clientelism*: This is a more extreme form of category (d). Highly centralized parties manage most government programmes in ways that reward their supporters, and/or divert funds from programmes into clientelist networks that are tightly controlled from the apex and used in determinedly partisan ways. Some programmes may still be protected so that they operate largely in accordance with Weberian principles. But imbalances strongly favour clientelism. Resources reach the local level mainly through partisan networks, and may flow mainly to party loyalists even at that level.⁹ Such regimes are intensely hostile to alternative power centres.

(f) *Systematically reinforcing clientelism*: We should not presume, after reading items (a) and (b) above, that clientelism no longer inspires enthusiasm among politicians anywhere. It is becoming relatively less important in many places, but in at least a few, it is being bolstered. This is especially true in some decidedly under-developed countries where the existing order is somewhat fragile – so that insecure leaders are acutely concerned with consolidating their hold on power. In such places, governments are often heavily dependent on aid from international development agencies, which advocate the creation of institutions and programmes that are supposed to operate along Weberian lines. Governments therefore proceed with this enterprise, while also constructing clientelist networks controlled by the ruling party. However, leaders tend to divert resources that are meant to pass through formal institutions/programmes, and redirect them into clientelist channels. As a result, an imbalance develops in which clientelism outweighs formal government programmes and structures that were intended (at least by donor agencies) to be post-clientelist in character. Resources reach the local level either through patronage networks or through official channels that have been largely, or even systematically, subordinated to partisan clientelism.¹⁰

(g) *‘Feckless Governments’: Obliviously ignoring clientelism and post-clientelism*: Some senior politicians – especially those who exercise personal dominance over their parties and their governments – seek to establish something close to personal rule and blithely ignore the need for both post-clientelist programmes and clientelist networks. Such politicians head what Thomas Carothers calls ‘feckless’ governments

(Carothers 2002). They often focus on massive illicit 'fund raising', but then fail to channel many resources downward through patronage networks. Indeed few resources reach interest groups at the local level by any means. These leaders often treat subordinates, who are potentially useful allies, in an arrogant, unhelpful manner. The regimes that they create tend to be unstable, so their time in power is often limited, especially if genuine elections occur.¹¹

Where are post-clientelist initiatives occurring?

We noted above that India provides many of the most telling instances in which post-clientelist initiatives have gained ground at the expense of clientelism. This should come as no surprise since genuine democratic processes have flourished there for much longer than in most other less-developed countries. These processes have long been attended by (and have helped to trigger) a political awakening among all sections of society, which has thrown up a vast array of demands on ruling parties. In India, much earlier than elsewhere, demand overload led politicians to the conclusion that patronage distribution was insufficient as a strategy that could ensure re-election. Between 1980 and late 2008, ruling parties at the state level in that federal system were thrown out by voters at roughly 70 per cent of elections – and if we remove one state from the calculation (West Bengal, where a Left Front government was returned to power at seven state elections between 1977 and 2006), the figure approaches 90 per cent. Ruling parties or alliances lost seven of the eight national elections between 1980 and 2004. These spectacularly high rejection rates terrified politicians in every significant party (national and regional), and almost without exception, they responded with a diversity of post-clientelist initiatives in an effort to remain in power.

In recent years, however, we have seen similar trends begin to emerge in a diversity of other countries, so this chapter is not just a study of India. Post-clientelist initiatives have been a major feature in Brazil since the early 1990s (Melo *et al.* 2012, Chapter 4). Steven Friedman has argued that more recently, the opening of political systems and the increasing strength of civil society and organized interests across much of Africa, have compelled several regimes there to supplement clientelism (Friedman 2009; see also Brass *et al.* 2010). In Kenya – where the new constitution has brought about a substantial dispersal of power to a diversity of institutions, and thus a more pluralistic order – a solid national consensus supports the 'Vision 2030' blueprint which contains

PROOF

James Manor 249

numerous mega-projects that are too massive to lend themselves to subversion by clientelists. It is expected that smaller projects that are managed by newly empowered devolved institutions will still entail plenty of patronage distribution, but the balance is nevertheless shifting in favour of post-clientelist initiatives.¹² Some ministers in Jacob Zuma's government in South Africa, which allows ministers more latitude to pursue their own agendas than did Thabo Mbeki's – have introduced new policies and programmes for poor, socially excluded groups that are post-clientelist in character (to the chagrin of other ministers who prefer to sustain clientelism).¹³ In Tanzania, where the ruling party has always done more than its counterparts in most other African countries to restrain clientelism, those efforts have been redoubled in recent years (Therkildsen 2009). So this is no longer just, or even predominantly, an Indian story.

When we examine the details in various Indian states, at the national level in India, and in some other less-developed countries, we find that post-clientelist initiatives are intended to serve different purposes, and have thus produced different outcomes. One contrast is especially striking. In some places, they have made governments more inclusive and responsive – by decentralizing power, creating participatory processes and encouraging the emergence of demands and popular preferences from below.¹⁴ In others, they have been top-down in character and tightly controlled from the apex.

In some Indian states, this latter tendency has been carried to extremes, so that we encounter radically centralized post-clientelism alongside radically centralized clientelism. Chief ministers in these states have concentrated such massive powers in their own hands that they exercise something approaching personal rule. Leaders not only starve alternative power centres of resources and power, but even deny them to subordinates in their own party, so that these states begin to resemble 'authoritarian enclaves'.¹⁵ Hence the comment earlier in this chapter that post-clientelist initiatives sometimes serve illiberal regimes. (It should be stressed that this trend at the state level has, ironically, run counter to a trend at the national level since 1989 – when it became impossible for any single party to win a parliamentary majority – in which power has flowed substantially away from the once-dominant Prime Minister's Office to other institutions and forces at both national and state levels. This has checked the powers of prime ministers and largely ended abuses of power by them, so that autocratic action from the apex of the national system is no longer the severe threat that it was before 1989.)

Open-ended histories: Cross-currents and persisting ambiguities

Lest we allow the categories listed above to harden into compartments with firm boundaries between them, it must be stressed that they are ideal types. The boundaries between them are often blurred, and in each case or situation we tend to encounter ambiguities: incongruous hybrids that dilute the purity of the category. To complicate matters further, the situations depicted above are often fluid and unstable, so that things are apt to change over time.

How do they change? We must look sceptically upon teleological arguments that see processes resolving themselves in tidy resolutions – analyses that begin with the script half written. Two teleologies are especially worth noting.

The first consists of arguments that announce triumphantly that we are witnessing the dawn of a new democratic era. Many polities in Africa, Asia and Latin America have become somewhat more democratic, but few have fulfilled the high (indeed, the wild) expectations of the triumphalists. Many so-called transitional states have not completed their transitions to democracy and are unlikely to do so (Carothers 2002). Incongruous hybrids – which stop well short of happy democratic endings – persist stubbornly.

Nor should the ideas in this chapter lead us to conclude that post-clientelist approaches will necessarily gain increasing ground over patronage distribution. When we encounter incongruous hybrids in which clientelist networks and post-clientelist initiatives sit cheek by jowl, we should not presume that the incongruities cannot endure. These and antitheses often fail to interact in ways that produce syntheses. Political histories in the developing world are open ended.

Consider, for example, that in some places where, for a time, clientelism had yielded ground to post-clientelist initiatives, the process has been reversed (at least temporarily) because new leaders or parties took power, or because political dynamics changed. Nor should we forget the trend noted in item 'f' above, which has been apparent in (for example) Cambodia where in recent years, programmes funded by international development agencies (designed to operate along Weberian lines) have existed alongside ruling party efforts to bolster clientelism. Substantial resources from those programmes have been diverted to patronage networks managed by the ruling party, but at times Weberian norms have in part survived – because important interests prefer that. It is thus possible that the trend towards the subversion of such norms

by clientelists could, in time, be checked or reversed, which is one reason that donors persist in lending support. But that may not happen.

One last thought, which is prefigured by some of the comments above, is worth considering. Herbert Kitschelt has argued that 'For democracies from India to much of Latin America, clientelist politics has constituted the functional equivalent of the welfare state, appeasing the have-nots to abide by political orders that tremendously advantage the haves' (Kitschelt 2000). In many places, however, two features in that picture have changed. The have-nots have begun to become more restive. And in at least four countries – Brazil, India, China and South Africa – governments have recently intensified efforts to tackle poverty and inequality by undertaking some social programmes associated with the welfare state. The emergence of those programmes, which qualify as post-clientelist initiatives, has been triggered not just by politicians' desire to court popularity but also by rising government revenues. As governments provide more of the rudiments of the welfare state, politicians feel less need to pursue clientelism as an alternative to it. Those two changes have caused the political utility of clientelism to diminish. This is not to say, however, that the balance will shift in favour of post-clientelist approaches across most of the developing world. Government revenues may not rise elsewhere, or continue to rise in those four countries. History is, to reiterate, open ended. But it is time that analysts paid more attention to the themes discussed here.

Notes

1. A good example is the Education Guarantee Scheme in the Indian state of Madhya Pradesh under the government headed by Digvijay Singh (1993–2003), which is examined in detail in Chapter 3 of Melo *et al.* (2012).
2. See for example, the public complaints about this by the Finance Minister of the Indian state of Punjab, *Indian Express*, 16 October 2010.
3. To say this is not to endorse the unrealistic triumphalism in some of the literature about democracy being 'on a roll'. A more sober and reliable analysis is provided in Carothers 2002.
4. In a private communication, Jos Mooij has stressed that by analysing such hybrids, where multiple modes of politics coexist, we can begin to see structure in the complexity that we always encounter when studying less developed countries.
5. This roughly describes recent trends in Tanzania where the ruling party, unlike counterparts in most of the rest of Africa, has long sought to restrain clientelism. I am grateful to Ole Therkildsen for insights into that case (Therkildsen 2009).
6. Such initiatives have been undertaken in numerous Indian states, ruled by a great diversity of parties, since the 1980s. For example, the Janata Party

(later the Janata Dal) in Karnataka mounted a major programme to sink tens of thousands of tubewells in the early 1980s; also in the 1980s, the regional All India Anna Dravida Munnetra Kazhagam (AIADMK) created a midday meals scheme in Tamil Nadu; several programmes designed by successive Left Front governments in West Bengal between 1977 and 2011 were post-clientelist in character; in the early 1990s, the Hindu nationalist Bharatiya Janata Party in Rajasthan devised an *antyodaya* programme which provides special assistance to the five poorest families in each village; the Congress Party in Madhya Pradesh in the mid-1990s developed an Education Guarantee Scheme to provide a school to any village which had none nearby; and so forth.

7. Such systems long predominated between 1947 and the late 1960s within state-level units or political 'machines' of the Congress Party in India's federal system. Despite the trend discussed in note 6 above, in numerous states, for example, Karnataka between 1999 and 2004, and Rajasthan since December 2003, Congress, and sometimes rival parties, have depended mainly upon this approach.
8. Such systems have often (though not always) existed in Indian states in which the Bharatiya Janata Party has ruled, for example in Madhya Pradesh since December 2003. But we also see this trend in states ruled by regional parties such as Orissa under the Biju Janata Dal since 2000.
9. Such a system prevailed in the Indian state of Andhra Pradesh between 1995 and 2004 when the regional Telugu Desam Party held power, and has been sustained to some degree by the Congress Party since it took power in 2004. (Here as in many other Indian states, the Congress Party has come to resemble its main opponent.) The strategy introduced after 1995 was modelled on the approach that has long been used in Malaysia.
10. Cambodia is one such case. This writer analysed the system there on two visits in 2009 and 2010. See also Pak *et al.* (2007). In recent years, the Chinese Communist Party has sought to sustain its dominance by opening up space not just for market forces but also for the development of clientelist networks in lower-level arenas managed by party leaders. Somewhat similar trends are apparent, albeit to a lesser degree, in Mozambique where this writer carried out research in 2004. Vietnam may also qualify here. It is no accident that the ruling parties in all of those countries have evolved from Leninist roots, although other types of parties elsewhere may also pursue this approach.
11. Successive Bangladeshi regimes since 1991 largely fit this description. So does the government in the Indian state of Rajasthan between 2003 and 2008.
12. Private communication from Njuguna Ng'ethe.
13. This is based on this writer's interviews with officials and social scientists in South Africa in June 2011. Steven Friedman and Peter Alexander helped to explain this trend.
14. In India, we have seen this some or all of the time in several states, notably Karnataka, Kerala, Madhya Pradesh and West Bengal.
15. We have seen this, some or all of the time, in Andhra Pradesh, Gujarat, Orissa and Tamil Nadu. The Indian Constitution has enough impact in these states to prevent them from becoming fully fledged 'authoritarian enclaves' of the kind that we see in for example parts of Mexico. I am grateful to Reynaldo Ortega for insights into the Mexican system.

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12

From Populism to Democratic Polity: Problems and Challenges in Solo, Indonesia

Pratikno and Cornelis Lay

Introduction

Participation through civil society and decentralization has become the main theme within the current debates on democratization.¹ The assumption is that participation and decentralization will strengthen democracy. The best Indonesian case in favour of this thesis is the municipality of Surakarta, also known as the city of Solo. Solo has become well known in the Indonesian debate because of its recent positive experience of popular participation. This includes efforts at participatory budgeting and planning in cooperation with political executives, various CSOs and social movements. Many development agencies and pundits refer to Solo's experience in terms of 'best practice' of democratic local governance in Indonesia. Their analyses focus on the actors and claim that participation is a possible way of crafting stable democracy. In turn, they suggest that this participation is a result of decentralization which thus strengthens local democracy.

But on closer examination, do the developments in the case of Solo really support these optimistic general theses? Four partly overlapping critical arguments, which are presumed to be equally valid, suggest otherwise. One of these arguments points to weaknesses in the participatory approach. Another claims that decentralization has in the main been accompanied by elite-capture. Yet another emphasizes the problems of popular representation, while a fourth acknowledges that although local strongmen may need to go beyond clientelism in order to win elections, which may in turn open up spaces for popular participation, many

in-built contradictions remain. Before we proceed by discussing the case of Solo, let us present these critical perspectives in a little more detail.

Participation–democracy nexus: A missing link

Within the debate on decentralization and development towards bringing about local democratic governance, participation has been widely advocated as a way to compel the government to be more responsive and transparent (Aspinall and Fealy 2003: 4–8). It is worthy of note that decentralization phenomena across the world are inexorably linked to the changing orientations of global development agencies (Harriss *et al.* 2004; Hadiz 2010). Dominant perspectives, mainly propagated by the World Bank, have altered global development trajectories from one of shrinking the state's role to one which enables state capacities and improves a state's legitimacy by encouraging greater public participation in decentralized governance.

In order to craft democracy, the World Bank emphasizes popular participation as a fundamental requirement. The Bank conceives participation as aggregated interests that are seen as being articulated by and through NGOs and local associations. Furthermore, it is also perceived that differences between how various associations in civil society articulate their interests rests with 'differing endowments of social capital, informal rules, norms and long-term relationships that facilitate coordinated action' (World Bank 1997: 114). Inspired mainly by Robert Putnam (1993), the World Bank subsequently defines social capital as 'the norms and social relations embedded in the social structures of societies that enable people to coordinate action to achieve desired goals' (cited in Harriss 2002: 84).

The concepts of participation, civil society and social capital in the current development and decentralization discourse have become very blurred and also overlap. As Ben Fine (2001) reminds us, the World Bank's version of social capital appears to conceptually undermine the importance of social conflict and the dynamics of unequal power relations in determining development trajectories. In this version, concepts of participation and civil society, which constitute an arena of struggle between competing interests, thus become theoretically sterilized and apolitical (Hadiz 2010: 31). Social capital in its present manifestation, therefore, has become a fundamental element of the wider technocratic project to depoliticize development and democracy. Social capital is merely, to quote John Harriss, 'a weapon in the armory of the anti-politics machine' as it is a civic notion not to politically empower

society but rather to make it technocratically manageable (Ferguson 1994; Harriss 2002: 13; Harriss *et al.* 2004). This idea thus holds out the prospect of the introduction of certain institutions that may foster democracy, but without political competition or conflict between different social groups and classes, thus turning much of what institutions do into formalities.

Elitist decentralization

Decentralization is also not a panacea. After a decade of comprehensive and radical decentralization in Indonesia, severe problems in participation and democracy remain. The paradoxes of participation–democracy relations between neoliberal and popular democracy in decentralized governance are well represented. The implementation of a decentralization framework in 1999 after 32 years of centralistic and authoritarian administration under Suharto was widely welcomed by both ‘neoliberal technocrats’ and pro-democratic movements as an essential way to build democracy. There were common expectations and convictions at the time that introducing such institutional frameworks would bring about local democratic and effective governance. Contemporary studies on Indonesian local politics, however, are characterized by the general conviction that the introduction of democratic institutions does not in itself automatically bring about democratic polity (see Nordholt and van Klinken 2007). There is an increasingly common call instead for a closer examination of the contentious interests and power relations that affect participation and democracy. Robison and Hadiz’s *Reorganising Power in Indonesia* (2004), for example, demonstrates convincingly that democratic institutions in the post-Suharto era have been hijacked by the old oligarchic business and political powers that are able to accommodate themselves to the new system. The paradox of democracy and democratization, according to Robison and Hadiz, does not stem from institutional forms, but from complexities of social conflict that involve old business and political elites and their efforts to preserve their own interests and power. They paradigmatically challenge the actor-based approach in democratization studies, as prominently propagated by transitologist and good governance perspectives, which emphasize institutional change through *elite pact* and *technocratic crafting*. They also argue that such an approach has severely neglected an analysis of techniques, procedures and power relations mechanisms in political economic institutions in which power actually operates.

Nordholt’s *Decentralization in Indonesia: Less State, More Democracy?* (2004) investigates the current politics of democracy in Indonesia

through a post-colonial lens. He argues that current local political elites are products of prolonged power sharing between the bureaucracy and local aristocrats since the colonial period (and the politics of indirect rule). These local aristocrats were soon absorbed into the local and national bureaucracy post Indonesian independence. The implementation of decentralization has, again, significantly increased local aristocrats' roles at the local level. Using the term 'changing continuities', Nordholt asserts that decentralization and democratization have not significantly transformed the old patrimonial character of Indonesian politics (see also Dwipayana 2004; Nordholt and van Klinken 2007).

Furthermore, extensive democracy assessments 'from below' conducted by the research-oriented NGO, *Demos*, in cooperation with the University of Oslo (Priyono *et al.* 2007; Samadhi and Warouw 2009) succinctly conclude that democratization in Indonesia is in crisis and that democratic institutions have been taken over by elites for their own interests.

Problems of popular representation

Why has this happened? In comparative perspective, the contributors to Harriss *et al.* (2004) and Törnquist *et al.* (2010) have concluded that the predominant problem of new local politics is that the development of democracy has been depoliticized. The core problem of this 'democratic deficit', according to Törnquist and others, is not that there are imperfections with regard to:

[...]the new and positive civil and political freedoms, but rather that the defunct instruments and popular capacities to exercise control over public matters have made it difficult to use the freedoms and new institutions to alter the relations of power and thus improve law, policies and governance.

(Törnquist *et al.* 2010: 5)

In order to deal with current problems of democracy, this argument suggests that popular influence to alter the structure of power and open up opportunities for political transformation is essential. This inevitably calls for an analysis of the politics of representation. It is in this new conceptual framework that the actual relations between participation and democracy can be problematized in a more fruitful way. The ultimate task for improved democratization is therefore to bring the political dimension back into the participation-democracy nexus.

Within a similar context, Avritzer's account on contemporary democratization in Latin American countries needs to be addressed. In *Democracy and Public Space in Latin America* (2002), Avritzer notes, in the same vein as Harriss *et al.* (2004) and Törnquist *et al.* (2009), that transition theory of democratization, which has been particularly well developed in regard to Latin America through the works of Guillermo O'Donnell and Philippe Schmitter for instance, has over-emphasized the roles of political elites and thus neglected the significance of recent popular political movements. Transition theories recognize the possibility of undemocratic and pro-democratic mobilization and collective action, but limit the role of mobilized masses to negotiation with elites.

Through illustrative case studies on Brazil, Argentina and Mexico, Avritzer demonstrates that on the one hand, democratic collective action within these countries has opened a space for political participation and challenged 'traditional (hierarchical and clientelist) understanding of politics' (2002: 3), and on the other, that there are institutional designs, as in the case of participatory budgeting, whereby such democratic participation may be linked to the political system. By referring to the concept of 'participatory publics', he normatively notes that, 'democratization is the result of transformation at the public level and that full democratization is the capacity to transform new practices from a societal innovation into a public form of decision making' (Avritzer 2002: 5).

Avritzer's main contribution is that he has opened up the possibility for understanding democratization beyond competition between elites. He also emphasizes the importance of the emergence of democratic institutions in which citizens can participate equally in determining development orientations (Avritzer 2002: 35). It is true that Avritzer's idea about participatory publics is highly normative. The prospect for this participatory model for building democracy, therefore, should be assessed with a cautious analysis of the local political sphere.

Post-clientelism

Politics towards the kind of practices for fostering popular representation as envisaged by Avritzer have been most promising in the framework of participatory planning and budgeting in Brazil (see Baiocchi 2003 and Chapter 10, this volume) and the Indian state of Kerala (see Tharakan 2004). Meanwhile, appreciative scholars like James Manor, however, (2010 and Chapter 11, this volume) argue that such achievements call for extensive political facilitation; in Brazil by the Workers Party (PT) and in Kerala by a popular education movement in combination with leading segments of the Left Front government. The

problem, according to Manor, is that such political support is quite unrealistic in most parts of the Global South.

Manor points instead to a less ideal yet actually existing possibility for civic action in order to make a difference in contexts where leading politicians and parties can no longer win elections by means of patronage politics alone. In the context of what he thus labels 'post-clientelism', politicians also have to attract voters from wider sections of the population, including through populist measures. Thus, some politicians opt for cooperation with well-reputed leaders and organizations in civil society as well, in order to gain additional votes from enlightened middle-classes and the vulnerable people that are supported by CSOs. The dynamics of post clientelism is quite volatile, Manor adds. But is this a better way of understanding the developments in Solo? In any case, the problems and options for local democracy that might develop under such conditions remain to be analysed.

The enquiry

What perspective is most fruitful, then, in order to better understand the developments in Solo? Two processes seem to be critical, irrespective of perspective. First, the dynamics of the linkages between the political commitment of the local government to popular participation on the one hand, and to civic engagement on the other; second, the extent to which the thus-generated participation in local governance can, potentially, transform existing fledgling democratic institutions and thus effectively bring about a further developed democratic polity in Solo.

In the next section we examine the nature of public participation in Solo and begin by outlining the impact of *reformasi*, social and political reform in Indonesia in the aftermath of the fall of Suharto, on Solo. One conclusion we can draw from the example of Solo – which tends to be neglected by all the previously cited arguments – is the importance of the historical roots of popular mobilization. We thus continue by sketching the history of organized civic engagement that has constituted Solo as one of the main sites of resistance in Indonesia since the 18th century. Lastly, against this backdrop, we will provide a critical analysis on the problems and potential for transforming Solo's current politics to building a democratic polity.

Politicizing representation: A blessing in disguise?

The 1999 general election, contested by 48 political parties, changed the political configuration of Indonesia and is thus a turning point for the

current political structure of Solo. This was the first democratic election held since the resignation of President Suharto in May 1998. During the Suharto era, as with many other areas of Indonesia, the political configuration of the legislative and the executive in Solo was dominated by military figures and Golkar, the party of government. The Indonesian Democratic Party for Struggle (PDIP) led by Megawati, the daughter of Indonesia's first president, Sukarno, and a symbol of resistance during the authoritarian regime, won a landslide victory with 56.7 per cent of the vote, also securing victories in all of the sub-district levels of Solo. The PDIP effectively controlled 24 out of 45 seats in the local parliament. There was almost no significant opposition to the PDIP in parliament as other parties only won a small number of seats. Even Suharto's old Golkar party and the Muslim based United Development Party (PPP), which were previously dominant in Solo, only won three seats between them (Lay 2000: 99–103).²

However, rivalries between PDIP cadres emerged when local parliament came to elect the mayor and deputy mayor in the wake of the 1999 elections. At that point, the heads of the local executive in Indonesia were still elected by the (local) parliament. Since 2004 by contrast, direct elections have been held following the amendment of the Local Government Act No. 22/1999.³ Although the mayoral candidate, Slamet Suryanto, enjoyed the support of ordinary people and PDIP cadres in Solo, his support in parliament was limited, with only nine of the 23 PDIP representatives in parliament backing him (Lay 2000: 103). The majority of PDIP support in parliament went to Suryanto's rival, Suhendro.

Disappointed by his own party and most of its representatives in the local parliament, Suryanto's faction built new political alliances, which included making approaches to J. Soeprapto, one of the then five members of the local parliamentary faction representing the military and the police. By way of this kind of alliance-building, Slamet Suryanto and J. Soeprapto were subsequently elected as mayor and deputy mayor of Solo, without the political support of Suryanto's party, the PDIP.

This paved the way for ongoing conflict between the political executive and the legislative in Solo. Slamet Suryanto is a typical example of the kind of leader who in Indonesia used to be labelled a *solidarity maker*, that is, he was very good at mobilizing popular support, often by way of populist views and measures. However, he did not have adequate experience in administration and in governing public institutions. He thus came to rely heavily on the municipal secretary and on bureaucrats in conducting his duties. As a consequence, conflict was not limited to

the relationship between parliament and Suryanto, but also between parliament and Solo's bureaucracy. Furthermore, the conflict was not limited to day-to-day controversial statements over certain issues, but also occurred in formal political processes. Many government initiatives lost the support of, and were even resisted by parliament. This culminated in the rejection of the mayor's Accountability Report by all political party faction in parliament in April 2001.⁴

In order to challenge political pressure from parliament, the local government began to encourage public participation. The Local Development Planning Body (*Bappeda*) is one of the local administrative departments that was often on the receiving end of parliamentary pressure due to its leading role in local development planning. Technocratic arguments of *Bappeda*, even if good, often failed to gain political legitimacy by way of support from the members of parliament. Members of parliament believed that they had greater legitimacy as they had been elected to represent the people, whereas the bureaucracy did not. From the point of view of those who supported the proposals made by the executive, this called for a new kind of popular representation that could challenge the legitimacy of parliament. Thus, participatory planning and budgeting as advocated by *Bappeda* become an essential way for social movements and civil society activists and their partners within politics to politicize and expand popular representation.

Outside public governance and as part of major NGO programmes on strengthening civil society in the post-Suharto era, civic engagement in Solo was also widely organized (Rivai *et al.* 2009). In contrast to most other cities and districts, there were effective inter-group forums in Solo, such as the Study Forum for Democracy and Social Justice (FSDKS) and an NGO Forum facilitated by the Institute for Rural Technology Development (LPTP). These forums became embryos for further participatory initiatives and in January 2001, these two organizations set up a joint initiative, the Synergy Forum that involved more stakeholders including NGOs, academics, bureaucrats and local associations in order to address local autonomy issues (Pratikno 2005). This Forum influenced the issuing of the local regulation on the Institute for Community Empowerment (LPMK), a regulatory framework for participatory planning and budgeting at the *kelurahan* level (administrative level below sub-district in an urban context) in Solo.

Some external interventions with regard to the strengthening of participatory planning initiatives are also worth noting. In the 2000s, the Ford Foundation supported three NGOs, namely *Gita Pertiwi*, *Leskap* and *Inres*, to establish the Consortium for Monitoring Public Institution

Empowerment (KOMPIP), the aims of which were to develop and map local governance issues. This was a multi-stakeholder consortium that involved *Bappeda* and representatives from Solo state university and NGOs.⁵ The Ford Foundation enabled the Consortium to undertake a comparative study on government and society relations in local budgeting in the Philippines in the early 2000s. This partnership was subsequently institutionalized through the establishment of the Solo branch of the Indonesian Partnership on Local Governance Initiative (IPGI). IPGI Solo was part of a wider network including IPGI Bandung in West Java Province and IPGI Dumai in Riau province. IPGI's main focus was to develop participatory planning mechanisms that were tested out in 2001 (Rivai *et al.* 2009: 37).

Another important intervention was the Breakthrough Urban Initiative Local Development (BUILD) Programme, initiated by the UNDP and the Ministry of Home Affairs also in the early 2000s. The programme focused mainly on improving public services and participation. It was through the BUILD Programme that village-based facilitators benefited from training on participatory budgeting (Histiralludin 2004). At the time, participatory budgeting was still conducted on either a spatial or territorial basis wherein villages became its main working units.

In addition, as a part of the BUILD Project, the UNDP subsequently introduced the City Development Strategy (CDS) programme with the aim of strengthening the involvement of especially vulnerable groups in urban sectors targeted for reform in participatory planning and budgeting, which otherwise was based on territorial communities. These so-called sectoral groups thus included urban street vendors, rickshaw drivers, traditional market traders, hawkers, buskers as well as sex workers. Interestingly, this initiative was welcomed and supported by the local government through Mayoral Decree No.410/45-A/I/2002 on Involving Sectoral Groups issued in 2002. In practice, the participation of sectoral groups was mainly facilitated by the City Development Strategy Stakeholders Working Team which then focused on three issues: social conflict, urban management and marginalized society (Rivai *et al.* 2009: 37–40).

The local government subsequently tried to encourage the participation of sectoral groups in the existing territorial-based development planning, which comprised of the *Muskelbang* (kelurahan level development forum), the *Muscambang* (sub-district level forum) and then the *Muskotbang* (municipal level forum) through Mayoral Decree No.8/2003. It proved simply impossible, however, to accommodate the rapidly expanding sectoral groups and their interests and demands

in the territorial based development forum, particularly at *kelurahan* level.

The most significant achievement was, instead, facilitated through Mayoral Decree No.3/2004 on Technical Guidance for Participatory Development Planning, which encouraged sectoral groups to hold Focus Group Discussions (FGDs) in their respective communities or groups. The results of the FGDs, in accordance with this decree, would be used by the relevant municipal departments directly, without having to be channelled through territorial-based participatory planning forums. In other words, local government applied two models of participatory planning, both on a territorial and a sectoral basis.

Local NGOs successfully facilitated numerous sectoral group FGDs under the coordination of *Bappeda*. This model has led to significantly increased participation of vulnerable people in sectors and areas subject to 'urban development' and reform in Solo. In accordance with the model, *Bappeda* then follows up the FGD by organizing Limited Group Discussions (DKT) in order to further refine the various demands and aspirations expressed.⁶ The DKT output thus provides key input into the design of development programmes by the relevant municipal departments. This sectorally based participatory planning model is then integrated into the existing development planning forum at municipal level.

It is clear that political conflict between the executive and parliament forced the Solo municipal government to seek broader support from society. In other words, political momentum for initiating participatory planning and budgeting in Solo cannot be separated from the context of this conflict. Furthermore, local government's commitment to popular participation was advantageous to many local and international NGOs that actively supported various programmes on public participation.

Unlike Kerala, in which the People's Planning Campaign (Tharakan 2004: 108–109) came as a result of prolonged ideological struggle and which gained momentum when the Left and Democratic Front (LDF) won the 1996 local election, Solo's popular participation is thus short of ideological foundations and is less based on extensive popular organizations and also less institutionalized.

Historical roots of popular mobilization

In addition to the political setting that forced local government to involve people in policy making, Solo has a long history of organized popular mobilization, which even if undermined during Suharto's

authoritarian rule, remains part of the population's historical memory and is thus worthy of examination.

As early as the 18th century, Javanese kingdoms were characterized by endless elite conflicts that resulted in their collapse and further division into smaller kingdoms. Since the period of Dutch East India Company (VOC) in the 17th century, the Dutch often exploited such internal conflicts for their own interests through policies of *divide et impera*.

In 1743, the Dutch supported King Pakubuwana II in Kartasura (immediately northwest of Solo), who was facing prolonged rebellious movements. Shortly thereafter, the king moved the kingdom's capital to Solo and changed the name to Surakarta (reversing the name of the old kingdom's capital, Karta-Sura). The king granted the VOC large swathes of the Javanese coastal areas as a concession. Within this setting, the Kasunanan Kingdom of Surakarta was established, also marking the first infiltration Dutch colonial power into the heart of Javanese power. Soon after the establishment of the Kasunanan Kingdom, a rival kingdom was founded in Yogyakarta through the Giyanti Peace Agreement of 1755 under which Hamengku Buwono I became the first king. And only two years later another rival, the Mangkunegaran Kingdom, was founded in the Solo area following a lethal rebellious movement led by Mas Said (Shiraishi 1997: 1–3; Pemberton 2003: 55).

Initial popular mass mobilization in Solo, beyond elite struggles, was organized against the Dutch-imposed cultivation system of cash crops, the *Cultuurstelsel*, proposed by J. van den Bosch. This forced cultivation system was introduced with the aim of securing the recovery of the Dutch economy, which had been bankrupted in the wake of the Javanese War (1825–1830). This new system called for a new approach to governance. The Dutch had to collaborate with the local aristocrats who controlled the land in order to develop plantations. During this period, colonization was administered through indirect rule and the local monarchies were still in effect governing their people. It was through this system that concepts of division of labour, the commercialization of agriculture and contract systems were subsequently introduced in Java. Under the Javanese feudal system, local aristocrats controlled all the land and gave over their rights to managing and cultivating their land to *bekel* (superior tenants). It was through *bekel* that common people came to have their labour exploited in farms and plantations (Suhartono 1991). The *Cultuurstelsel* system was thus effectively implemented within the feudal system and controlled by local leaders and kingdoms who received Dutch support.

The *Culturstelsel* system further marginalized the people of Solo who were living in acute poverty as they often had to leave their own farms in order to fulfil their work obligation in the Dutch plantations. This situation provoked peasant protests. Shiraishi (1997: 23–25) identifies two forms of popular resistance in Solo. First, individual and sporadic actions directed against plantation controllers in order to protect their own land as well as for personal revenge. During this period (1860–70s), there were many *kecu* (thugs) who were hired to kill and torture Europeans in the plantations. In addition, people frequently set fire to the plantations. Second, more organized popular mobilization aimed at promoting the interests of the people. Mass demonstrations, or *nggogol*, were often held, with marches to the local administrative offices and even to the ruler's palaces. If their demands were not accommodated, they would go on strike. The *Culturstelsel* system inevitably engendered popular distrust in local government, thus rendering state–society relations quite fragile. Violent conflicts would easily flare up whenever the government was unable to negotiate with 'its' people.

The development of capitalism coupled with the colonial political context led to an even more dynamic political milieu in early 20th-century Solo. Groups representing Chinese business interests founded a trading organization, *Kong Sing*, aimed at expanding their economic interests in Solo and Java. The Islamic Traders Association (*Sarekat Dagang Islam*), which later became the influential political organization *Syarikat Islam* (SI) that challenged Dutch colonialism, was initially established to respond to the Chinese dominance in the economic realm, particularly in the *batik* (dyed cloth) industry (Shiraishi 1997: 55–65).

The birth of SI in 1912 was followed by the founding of many modern organizations in Solo. Their objectives were not limited to economic interests, but included political struggle against Dutch colonialism too. The most radical were the *Indische Social-Democratische Vereniging* (ISDV – Social Democrat Association of the Dutch Indies) and the Indonesian Communist Party (PKI), to mention a few. These gained massive support in Solo. During this period, political organizations were deeply rooted in the sometimes overlapping ideologies of Islam, nationalism, communism and social-democracy in particular. Organizations competed to win popular support. In 1918, however, leftist movements demonstrated their joint interests and radical character by challenging the feudal practices in the two Solo-based kingdoms, the Kasunanan and the Mangkunegaran. Furthermore, they destroyed plantations and other colonial assets (Larson 1990: 131). These groups also mobilized labour and peasants to strike, and Solo became the center of a general

strike in Central Java in the 1920s (Shiraishi 1997). The political dynamics of these movements, within a general leftist-nationalist discourse, exerted significant influence on Indonesian political struggles against colonialism in 1920–40s.

From 1960, central government headed by President Sukarno, the first president of the Republic of Indonesia, introduced a land reform policy that was key to putting an end to the feudal model and thus opened up opportunities for common people to own enough land to fulfil their needs. This land reform policy was clearly based on leftist ideology as Sukarno was also supported by the PKI, by now the world's third-largest communist party, with its main stronghold located in the area around Solo. This radical policy, with populist President Sukarno at the helm, suffered from conflicts between the poor themselves as well as resistance from the local strongmen and could not be fully implemented ahead of the attempt by dissident officers and a few communist leaders to eliminate rightist military officers in 1965, which in turn generated a full-scale counter-revolution. When General Suharto took over power, he accused the PKI and its sympathizers of having staged a coup and subsequently outlawed the PKI and Marxist ideology in Indonesia. The outlawing of the PKI was followed by mass killings, particularly in Java and Bali, with estimates ranging from around 500,000 to two million lives lost, marking this as the one of the worst periods in Indonesian politics.

Suharto immediately put an end to land reform by dissolving the land reform courts and implementing a number of so-called floating mass policies aimed at detaching people from political activities (Fauzi 1999: 158–159). Suharto's authoritarianism was not only based on his repressive approach, but also included the elimination of any potentially competing ideologies. Soon after the banning of the PKI and Marxist-Communist ideology, Suharto also forced mass organizations to adopt a single founding ideology, the *Pancasila*. De-ideologization and de-politization, therefore, became effective instruments with which the regime could effectively 'discipline' and regulate people's engagement in political issues.

Solo became an important site of resistance, just as it had during the colonial period. From 1987 to 1997, for instance, there were many popular protests against government policies and government-supported business projects. For example, mass protests rejected the opening of the Arum Manis restaurant (1987) and the Singosaren department store (1988), there were mass demonstrations against the Sari Warna Asli textile industry (1992) and the the national lottery (SDSB),

a central-government initiative used to pool 'social' funds through legal gambling. The protests culminated in 1995–97, just prior to the 1997 elections, in which the government symbolically painted public facilities with the yellow colour associated with Suharto's Golkar's party as a sign of dominance. This resulted in popular protests by way of repainting these facilities in white as a symbol of resistance (Budiman and Törnquist 2001). Mass demonstrations were significantly escalated and took place in a number of cities, all of which contributed to the eventual fall of Suharto in 1998. Conditions in Indonesia had also worsened due to the Asian economic crisis that brought about mass riots and acts of violence directed against specific groups, ethnic Chinese Indonesians in particular, who were perceived to have gained substantial business privileges and thus dominated much of the economy under Suharto. Besides Jakarta, Solo was the city most affected by the violence and destruction.

Clearly, popular mobilization in Solo has been dynamic throughout history. Such engagement, however, remains limited to resistance against those in power. With the exception of the popular movements in the 1960s, there have been almost no organized and ideologically guided movements in Solo that have contributed to the construction of the contemporary face of popular mobilization. The banning of communist and Marxist influenced ideology combined with effective de-ideologization under Suharto has resulted in the fragmentation of many contemporary social movements in Solo and Indonesia.

Transformative politics and the challenge of democratic projects

Decentralization and democratization introduced in the post-Suharto era has changed contemporary Solo's social and political constellation. As we have already discussed, the Solo government's commitment to encouraging popular participation was constituted within the context of rivalries between the executive body led by the then Mayor Slamet Suryanto and local parliament. It is worth noting that although government affirmation of popular participation was instrumental in enabling the executive to challenge the electoral legitimacy of parliament, this nevertheless opened up a space for negotiation between state and society.

It is only by analysing such antagonisms that one can understand popular participation in Solo's political context. Political rivalries led the local executive to politicize popular representation beyond the limitations of the electoral system. In other words, political antagonism

facilitated the construction of new forms of representation and enabled semi-formalized negotiation between local government and the people of Solo. Dyrberg emphasizes that:

Antagonism and context mutually constitute and subvert each other: it is the context that conditions and situates antagonism, but antagonism is also constitutive of context in the sense that it shapes, changes and undermines it.

(Dyrberg 1997: 194–195)

Moreover, outside the framework of public governance, as we demonstrated earlier, popular participation in local politics has become much stronger and more organized, partly facilitated by NGO civil society strengthening programmes (Handayani 2006a; Suhirman 2009). In addition to the previously mentioned forums that primarily included NGOs, the Solidarity Forum for the Peripheral People of Surakarta (SOMPIS), a dialogue forum consisting of various sectoral groups in the city, was established in 2001. SOMPIS aims include strengthening marginalized urban communities' rights and improving their bargaining position in relation to local government. It is important to note that the Asian economic crisis in 1997 and 1998, which was particularly devastating in Indonesia, meant that informal economic sectors grew as people simply had to find ways of surviving, primarily as *pedagang kaki lima* (hawkers), *pengamen* (buskers), and rickshaw drivers. To make some money, they squatted in urban public spaces and as a result, they were often outlawed or subjected to disciplinary actions. The first SOMPIS convention, held in June 2001 and facilitated by KOMPIP Solo (the previously mentioned consortium for monitoring the empowerment of public institutions), was attended by more than 56 representatives from 21 sectoral organizations in Solo municipality. It is through SOMPIS that marginalized urban communities in Solo are no longer treated as 'intruders' or policy objects but as influential stakeholders in the policy making process.

Such considerable change at societal level has made the linkage between government and people more structured. Within this context, it is important to sketch the political context that enabled Joko Widodo and F. X. Hadi Rudyatmo to become mayor and deputy mayor of Solo in 2005. It is true that the Indonesian general election of 2004 did not bring about significant change in the political constellation of the local parliament of Solo, with the PDIP retaining its position as the dominant party. In 2005, however, Solo held its first direct local election (*pilkada*) of the local political executives soon after the amendment of Local

Government Act No.22/1999. In the mayoral election, the PDIP managed to close ranks, supported Joko Widodo and F. X. Rudy Hardyatmo and won some 35 per cent of the vote, while their rivals, supported by a new post-Suharto Muslim party (PAN) won just under 30 per cent of the vote, as did the candidates backed by Suharto's old party Golkar and the incoming Indonesian president's Democrat Party. Surprisingly, the incumbent candidates, Slamet Suryanto-Hengky Narto Sabdo, who were certain that they would win massive support, only managed about five per cent of the vote. Two important factors contributed to their failure. One was that F. X. Rudy Hardyatmo was the new chair of the PDIP in Solo, meaning that Slamet Suryanto was no longer in control of the most effective political machine (the party structure) with which to mobilize support. Second, Slamet Suryanto had been accused of corruption (a charge of which he was found guilty in 2006).

Once in office, Joko Widodo and F. X. Rudy Hardyatmo realized that in spite of their victory, they needed to strengthen their positions having only received the support of about a third of the electorate. Their solution was to develop populist policies. Widodo is known as a visionary person with a business background while Hardyatmo is a charismatic figure of the PDIP in Solo with a broad network that includes ordinary people. Soon after his election, Joko Widodo adopted the tourism-oriented branding, *Solo: The Spirit of Java*, which effectively created a sense of 'togetherness' under which to expand his political basis.

Furthermore, and this was the most important strategy, Joko Widodo successfully exploited the government-society linkages that had been established under the previous administration. The paradigmatic case, which is often cited and reported, is the ultimately peaceful and successful relocation of almost one thousand retailers of Solo's *klithikan* market (a market selling second-hand, sometimes stolen, goods).

On the surface, many reports and studies place great emphasis on the personal capacity of Joko Widodo and his deputy, F. X. Hadi Rudyatmo, thus constructing them as populist leaders. If we look at this process in more detail, however, we will find that their success was highly determined by Solo's existing political and societal structure. When Joko Widodo gave the *klithikan* retailers an ultimatum to leave the city park before 17th August 2006 (Indonesian Independence day), the retailers immediately challenged this ultimatum with their slogan '*ngalah, ngalih, ngamuk, ngobong*'⁷ and a warning that they would incite a mass uprising. Thus there was no other option for the mayor than to engage in a series of negotiations and dialogues. It was certainly not an easy task as the mayor had to engage in numerous rounds of negotiations, including

approximately 45 lunch meetings and public hearings (*Suara Merdeka*, 14 June 2009).

On the whole, the role played by Joko Widodo in tandem with F. X. Rudy Hardyatmo was highly effective. Hardyatmo, the low-profile yet charismatic PDIP figure, is well known by ordinary people and recognized for conducting direct dialogue, often accompanied by the PDIP Task Force (*Satgas*). This special task force is not in itself a gangster or militia group (of which there are many in Indonesia). However, as and when it is deemed necessary, it is able to deploy coercive power. Moreover, Hardyatmo had previously held office as the head of Banjarsari sub-district where the *klithikan* was located. Within the Javanese psyche, such intense and direct dialogue is highly effective for both persuading people and socializing government programmes. People describe this as *nguwongke wong*, or humanizing people strategy. Meanwhile, Joko Widodo and his rhetorical ability constructed the image of Solo as a comfortable city to inhabit.

In comparison to other cities and districts since the advent of decentralization, Joko Widodo's populism in terms of strong direct links with the people and his ability to stand out as their ultimate representative is unique as he has achieved this through his ability to negotiate with ordinary people, thanks to the practices introduced by his predecessor. Not long after the negotiations were successfully concluded, the peaceful relocation of the traders was celebrated with a huge cultural carnival that received extensive media coverage. This carnival involved the traditional royal guards, artists and local associations, while, and this is the most important aspect, the mayor and its deputy rode horses at the front of the procession in order to theatrically symbolize their popularity.

Joko Widodo's and Hardyatmo's popularity was vindicated once more by their landslide victory in the 2010 local elections in which they won 90 per cent of the vote.⁸ There are at least two explanations for this. First, Joko Widodo has become a focal point in which the plurality of the people's demands is embodied, particularly due to his ability to manage difference through constant negotiation and image building of togetherness. Second, the system of direct elections allows people to utilize their right to vote for their preferred candidate. It is important to note that the turnout at the 2010 local direct election (*pilkada*) in Solo municipality was 71.8 per cent, the highest level of participation in a direct local election since the fall of Suharto (*Kompas*, 21 May 2010).

Various challenges may arise, however, in transforming this populism into more institutionalized democracy. The most critical challenge, as we outlined earlier, is the extent to which the dynamics of negotiation

that are still concentrated around Joko Widodo's populism can be transformed into a formula that facilitates the institutionalization of diverse political interests, without being channelled through a personal figure. Without transforming such forces into democratic institutionalization, Solo's populism will fall into new forms of bossism or local strongman leadership.

It should be noted, however, that while populism is highly vulnerable to undermining the democratic polity, it is also crucial in improving democracy. Why? Several leading political scholars have recently maintained that populism is not in itself an evil, just because there were populist elements in, for example, fascist regimes. Populism may also carry with it the potential for building stable democracy (Dyerberg 1997; Laclau 2005). The foundation of populism, like democracy, is the construction of the people (*demos*) through collective demands, which in turn means the generation of a community that defines what should be understood by popular affairs. Or to quote Ernesto Laclau, 'a plurality of demands which, through their equivalential articulation, constitute a broader social subjectivity' (Laclau 2005: 74). Populism only comes about when various demands are unified and symbolically embodied in the personal figure. But this may be democratized. Populism has the potential for democratic polity as it requires, as does democracy, the politicization of popular demands and participation. Without politicizing popular demands, as we argued earlier, the institutions that are supposed to foster democracy are little more than an empty shell. Therefore, the challenge of the democratic project is to transform this populism, this personal based embodiment of popular articulation, into a more institutionalized framework of democratic representation.

Conclusion

Who is right and who is wrong about Solo? Is it a showcase for how decentralization and participation can foster more democracy? Or is it flawed by problems of depoliticized and managerial civil society groups, local elitism, lack of representation and the ambiguities of 'post-clientelism'? We have argued that the picture is more complicated. Decentralization provided a framework, and donors such as the UNDP and the Ford Foundation as well as imaginative civil society activists were also present. But so were elitism and poor representation.

Moreover, the commitment of local government to initiating participatory planning and budgeting in Solo was due primarily to ongoing confrontation between the political executive (bureaucracy)

and parliament soon after the first democratic elections held in the post-Suharto era in 1999. Unlike the dominant explanations, which are highly normative and technocratic, we argue that the rise of popular participation was rooted in contentious local politics. Contending visions of representation forced local government to encourage people's engagement in challenging the electoral legitimacy of the parliament.

Such conflicts within the elite and attempts on the part of subordinated classes and groups to use these rivalries to make some advances are nothing new. There has been a long history of popular resistance in Solo since the 18th century. People may not understand the technicalities of democracy, but they know what it means and what it takes. Such a historical analysis is neglected by most perspectives in the debate, yet it reveals active yet fragmentary group of societies that have called for greater accommodation and negotiation both vertically, between state and society, and horizontally among fragmented groups of societies.

Further, we have also argued that even if the second populist mayor and his deputy were less haunted by conflict between the executive and the local parliament as his party PDIP had closed ranks, they did not enjoy the support of a popular majority, and thus had to further develop their predecessors' populist measures and mobilize the organizational clout of the PDIP's not so democratic *Satgas* task force. These measures were in turn supplemented by a number of development agencies as well as civil society activists. The mayor and his deputy even became favourites of the urban poor. And when their pacts translated into clean streets and less violence, the mayor in particular became a favourite of the middle classes too.

But although there are now comparatively strong links between local government and local people through a system of informal yet regular negotiations, these still rest with the popularity and the trust placed in Mayor Joko Widodo and his deputy. The empirical data suggest that attempts at politicizing representation in Solo's politics remain highly fragile.

On the one hand, the constitution of the new forms of popular representation are not supported by, and produced within, a clear ideological framework. The linkages between government and people are, rather, primarily the result of instrumental politics on part of the dominant actors in the context of political conflict between executive and parliamentary bodies. It is true that this has at times created openings for social and political activists to develop transformative practices. But on the other hand, again, the present structures for negotiation between state and people have yet to be institutionalized in order to survive 'the

good populist leader' condition and thus proceed beyond inconclusive post-clientelism. Such institutions can be created by design in seminars on paper, but they remain an empty shell until the issues and interests that are now being negotiated by a populist leader are represented in more democratic-representative and forceful forms within a strategic ideological and organizational framework.

Notes

1. In addition to the comments and suggestions by the editors of this volume, we would like to thank Lukman-nul Hakim for his valuable contribution in both the discussion and editing, and Hendra Try Ardianto and Bela Nagari for providing data.
2. The results of the 1999 election in Solo are as follows: the Indonesian Democratic Party for Struggle (PDIP) won a landslide victory with 56.7 per cent of the vote and 23 seats in parliament. In second place was the National Mandate Party (PAN), an Islamist-Nationalist party, with 13.89 of the vote and six seats in the parliament. The old government party-Golkar and Muslim-based party, PPP (United Development Party), which were previously dominant in Solo, won only 13.89 per cent (two seats) and 3.99 per cent (one seat) respectively. More interestingly, the Indonesian Christian Party (KRISNA) won 1.07 per cent of the vote, but had no representative in the parliament (Lay 2010).
3. Direct local elections are mandated under the Local Government Act 32/2004, which replaced the previous act on decentralization. There are several major changes in this new framework, including the implementation of direct local elections for the heads of both district (including municipal) and provincial governments.
4. The mayor was thus forced to revise and read the second report before parliament. In order to obtain this 'second chance', the mayor had to 'accommodate' certain interests, including a provision enabling a pay increase for members of parliament. Furthermore, the mayor had to discipline government administrators that had been accused of corruption by parliament. The mayor's efforts were successful and the second Accountability Report that was subsequently accepted. See *Radar Solo*, 6 April 2001 and *Radar Solo*, 24 May 2002.
5. This programme involves Drs Qomaruddin, MM (head of Solo's *Bappeda*), Drs Totok Sudarsito (Dean of Social and Political Faculty, State University of Solo), and Agus Dodi Sugiarto of *Gita Pertiwi*.
6. Local NGOs involved in facilitating the sectoral FGDs are as follows: the small retailers group is facilitated by *Leskap*; the child workers group is facilitated by *Sari*; rickshaw drivers by *Sekolah Warga Mandiri*, the buskers group by *Inres*; the women's group by *Spekham*, while disabled communities are facilitated by *Interaksi*, *Lampu* and *Talenta* (see Rivai *et al.* 2009: 41).
7. This slogan may be translated as, 'If we are defeated and relocated, we will commit to violence and burn (the city)'. The mayor had to hold a series of negotiations over a period of seven months. It was only after the 30th meeting that both government and traders entered into *true* dialogue in which the government could make effective representation of their relocation plan.

8. Joko Widodo–F. X. Hadi Rudyatmo were elected as the mayor and deputy mayor of Solo municipality for a second term in the 2010 local elections. They won a landslide victory with 90.6 per cent of the vote with victories in every *kelurahan* in Solo. See *Solo Pos*, 23 April 2010.

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PROOF

276 *Potentials for Post-clientelist Transformations*

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13

Re-Politicizing Local Government for Politics of Transformation: Arguments from Sri Lanka

Jayadeva Uyangoda

Introduction

How and in what ways can local government be reconstituted as an arena for substantive local democracy while promoting politics that produce egalitarian social transformation? This chapter explores this question in relation to Sri Lanka's experience of local government through an argument for reviving the social transformative capacities of democracy.¹ The argument does not rule out the need for institutional reform to achieve goals such as citizen participation, building local partnerships and efficient delivery of local public services. Such reforms are necessary for reviving the institutional life of local government, which in Sri Lanka has suffered setbacks in a broad context of democratic decay and the rise of the centralized state. However, institutional revitalization without transforming local democracy into a space in which the 'ordinary people' can appropriate the democratic process to give expression to their own struggles for emancipation can actually run the risk of making local democracy socially more inegalitarian and politically more undemocratic. In this sense, the idea of transformative politics is conceived as politics that facilitates and advances egalitarian social transformation in what are essentially inegalitarian social formations. Such transformative politics for social transformation presupposes a substantive reworking of local government.

This chapter explores this proposition in relation to Sri Lanka's experience of local government. It begins with a discussion on 'social exclusion' and 'political exclusion', two key concepts employed in the argument. I then move on to discuss the role of local government in Sri

Lanka's democratization process, as well as the 'blunting' of its cutting edge in the context of 'arrested democratization'. After these conceptual considerations, I present field material from two socially and politically marginalized rural communities. The two case studies are followed by a return to some key themes of the conceptual discussion in order to re-establish the link between the political concerns of the chapter and the ethnographic field material. I conclude with some reflections on how and in what ways Sri Lanka's local government can be reconstituted as an arena for substantive local democracy.

Social exclusion and political exclusion

The proposal for substantial reworking of local government, as outlined in this chapter, advances a case for 'political inclusion' of the 'socially excluded'. The concept of social exclusion as employed in this chapter has a specifically South Asian signification. As a social scientific notion it is of European origin, going back to the 1970s, and has a somewhat limited scope of meanings. Initially, it described the status of citizens who did not benefit from the European welfare state. Among the 'socially excluded' in this early use of the concept were people with physical disabilities and learning difficulties, the elderly, individuals with suicidal tendencies, drug users, 'delinquents' and even single parents (Lenoir 1974). Subsequently, development economists employed the concept to critique the conditions of rising unemployment, relative poverty and resultant social insecurity caused by macroeconomic reforms in Europe under the new tendency of globalization (Saith 2001: 3). Eventually, the range of meanings covered by the concept of social exclusion included citizenship and equality, democratic participation, public goods and the nation (Sen 2000: 1). A broader definition of social exclusion and one of greater relevance to the South Asian context is to view it as 'the denial of equal opportunities imposed by certain groups of society upon others which leads to the inability of an individual to participate in the basic political, economic and social functioning of society' (Thorat 2007: 1). This definition accounts for caste-centric social discrimination and marginalization that reproduces structural social inequalities in Sri Lanka and other South Asian societies.

The argument of this chapter does not stop at producing an account of social exclusion in Sri Lanka's rural society. Its emphasis is on the dialectic of social and *political* exclusion. Political exclusion, as defined in this chapter, is a process parallel to, and a consequence of, social exclusion. Practices of social marginalization grounded on unequal caste

PROOF

Jayadeva Uyangoda 279

relations of power are indeed political consequences of social exclusion. Social marginalization is caused by the exclusion of some citizens, those of the marginal caste communities, from experiencing the citizenship rights of equality and equal access to economic and political institutions. It is on one level a social process of political deprivation by exclusion. On another level, it can also be a social process of political non-inclusion, such as in the case of patronage networks maintained by rural political elites of upper or intermediate caste communities. Political and social exclusion are parallel processes, because while reproducing each other, they also produce and reproduce extreme social marginalization among some groups of people, compelling them to live in a regime of incomplete citizenship and incomplete democracy.

Political exclusion has been a specifically undemocratic aspect of the normalization of democracy, or to put it slightly differently, the process of arrested democratization in Sri Lanka. The ethnic dimension of democratic political exclusion has been explored in an extensive body of scholarly literature against a backdrop of a protracted civil war, but its social dimension continues to be ignored. The social foundation of political exclusion is caste, which provides, along with class, a structure of vertical organization of society and a framework for organizing the distribution of social, economic and political power. In fact, caste continues to be the dominant form of social organization in rural society, although its presence in urban society is enmeshed with more pronounced class distinctions, upward class mobility and availability of social-cultural capital. In rural society too, along with the penetration of capitalism, class has emerged as significant in social organization. However, the specificity of social change in Sri Lanka, and other South Asian societies too, has been that caste hierarchies and distinctions, originated in pre-capitalist social formations, have not disappeared with the emergence of classes specific to capitalism. Instead of disappearing, caste has taken new forms and significance to coexist with social classes under capitalism in a caste-class dynamic (Gunasinghe 1990). In Sri Lanka, caste by itself as well as in association with class represents an enduring structure of inequalities that has survived capitalism, the welfare state and democracy (Hettige 1984; Gunasekera 1994). It has economic, social, cultural, religious, ideological and political dimensions. One assumption on which the argument of this chapter is based is the following: the dynamics and limitations of democratization in Sri Lanka have been conditioned by inequalities associated with social marginalization based on caste divisions in society. This assumption asserts that caste divisions by themselves are not instrumental in limiting the impact on

democratization. Rather, it is the combination of social exclusion and political exclusion that defines, delimits and conditions who benefits from democracy and who does not.

Local government, arrested democratization and political marginalization

Local government bodies are the most important institutions of local democracy available to citizens, because they are the institutions of governance nearest to them. Evaluating their role in local democracy should consider how effective they are as agencies of democratization of existing social and political conditions of power that are inherently inequalitarian and unjust. However, as discussed later in this chapter, the existing forms and practices of local government do not weaken the social and cultural conditions that produce marginality in social as well as political spaces. Rather, they are complicit in producing and sustaining inequalitarian forms of democracy founded on inequalities embedded in caste, class and gender. Therefore, the existing local government has become a socially conservative form of democracy that has no capacity for egalitarian social transformation in rural society.

This assertion can be further elaborated as follows: Sri Lanka's democratization process in general has reached a crisis characterized by the incapacity of the state, democratic institutions and civil society to bridge the gap between social exclusion of marginalized caste communities and political as well as societal democracy. This hidden crisis of contemporary democracy runs counter to the social transformatory function of democratization in late colonial and post-colonial Sri Lanka. The first phase of Sri Lanka's democratic modernity, which began in the early 1930s, was accompanied by a parallel process of social transformation facilitated by the welfare state, free education, the left movement, universal adult franchise and party politics. Social transformation meant a process of enabling a host of hitherto marginalized social groups – including caste, class, gender and ethnicity – to benefit from colonial and post-colonial capitalism, achieve varying degrees of upward social mobility, make successful claims to public goods distributed by the welfare state and experience a measure of equality and assertion denied to them in the old order. This process of societal democratization, facilitated by the spread of political democracy, has now reached a point of exhaustion. The democracy deficits that are visible in rural society need to be viewed as consequences of 'arrested democratization', or democratization that no longer animates social and political democratization,

but is instrumental in maintaining inequalities in social and political spheres.

Democratization in Sri Lanka initially laid the foundations for a state that had the basic framework for liberal institutions of governance, procedures for the rule of law and an active civil society, yet with major limitations and distortions. It has also produced 'political democracy', key features of which include the universal franchise, governance by representative assemblies, regular and transparent elections, institutionalization of governance within a framework of rule of law, as well as the institutionalization of equality in the political sphere. Political democracy has historically played a significant role in facilitating social emancipation of vast strata of people who have traditionally been excluded from the mainstream of economic life, political rights and participation in governance. However, its social emancipatory capacity has now been exhausted. The ethnic conflict, which developed into a civil war, dramatically highlighted the end of the road for the emancipatory capacity of Sri Lanka's political democracy. Arrested democratization can offer only incomplete democracy and incomplete citizenship rights to social and ethnic groups that remain marginalized. Incomplete democracy has also necessitated massive deployment of state violence for its continuity and stability, as became repeatedly manifest since the early 1970s.

Political marginalization is the collective outcome of social and political exclusion. Political marginalization refers to a condition under which some citizens find themselves in the margins of the political process, unable to benefit from even the democratic forms of politics and governance, because they are entrapped in conditions of social exclusion. It is a specific form of marginality that is closely linked to, and often produced by, social marginalization. As scholars have shown, marginalization is 'a complex condition of disadvantage' that individuals and communities experience as a result of vulnerabilities that may arise from unfavourable social, cultural, economic or environmental factors (Mehretu *et al.* 2000: 90). Marginalization is a continuing social process that not only places some communities on the edge, or the periphery, of power structures, but also prevents them from making use of opportunities to move away from the edge. Based on the evidence of Sri Lanka's rural social relations gathered in this study, marginalization can be further defined as a specific social, political and cultural process that subjects some human communities to conditions of disadvantage through exclusion from the public sphere. Such exclusion is always a direct outcome of the practices of

difference-based discrimination due to the social or ethnic belonging of communities. Resting on social practices of acute inequality, marginalization represents a mode of social existence that is often unnoticed and untouched even by egalitarian political processes such as democracy. Marginalization also constitutes a process that produces 'mechanisms of rejection whereby a society produces its outsiders' (Baczko and Raichlen 1978: 28).

Thus, the arrested nature of democratization is fundamentally a question of the 'democratizing' capacity of democracy. Historically, democracy altered pre-democratic and non-egalitarian social and political institutions as well as practices, enabling those outside the pale of power to have access to benefits arising from being members of a nation-state. In societies like Sri Lanka, one of the most important democratizing consequences of democracy has been 'societal democratization'. Societal democratization has not meant the eradication of social inequalities embedded in class and caste structures, but rather the bringing of marginalized classes and caste communities to the political process as rights-bearing citizens. This is where, in a historical sense, the democratizing role of local government can be located. Do local government institutions in Sri Lanka still provide space for democratic governance at the local, community level in the periphery?

Posing the democracy question of local government in this form is important in the context of the argument, shared by many in Sri Lanka, that local government requires democratic regeneration. The view advanced in this chapter in this regard is that if local government is to achieve democratic regeneration, it needs new processes of social transformation, new social spaces for democratic inclusion and socially inclusive strategies for deepening democratic governance. The renewal of local democracy cannot be conceptualized only in terms of readjusting institutions of local government. It calls for a 'critical examination [...] of local power relations and politics' in order to discover the possibilities of opening up 'local political spaces' as well as 'factors that influence the capacities of actors to make use of and further improve rights and institutions within these spaces' (Harriss *et al.* 2004: 15–16). In the context of arrested democratization, local government needs to be reinvented in order to render it capable of becoming an institutional agency for social transformation. Thus, this chapter makes a case for renewing Sri Lanka's local government as a social and political space in which excluded social groups can bid for their own place in the struggle for power.

Democratization and local government in Sri Lanka

Local government is an integral component of Sri Lanka's institutional organization of government, although its actual place in the state structure has always been a subordinate one. One reason for its subordinate status is derived from the historical origins of local government in the process of modern state formation in Sri Lanka. The modern system of local government in Sri Lanka was inaugurated in the late 19th century by the British colonial state as an administrative arm of central government (Leitan 1979). In pre-colonial times, there have been many forms of local government in a context where the development of a centralized state was not possible and local public affairs were largely confined to the management of irrigation networks and the administration of justice as well as dispute resolution. Modernization of local government was necessitated by the emergence of cities, urban populations and an urban middle class, which constituted the colonial 'public' in the second half of the 19th century. Municipal councils were established in Colombo and Kandy in 1865 and a few years later in Galle. Interestingly, these municipal councils were the first bodies of governance in modern Sri Lanka to have elected members, albeit through a system of limited franchise based on property ownership.

Consolidation of local government ran parallel to the partial democratization of the colonial state. The Donoughmore Constitutional Reforms in 1931 introduced universal adult franchise and an elected legislature with both legislative and executive powers to colonial Sri Lanka. Local government reforms proposed by the Donoughmore Commission were conceived in the broader framework of the liberal-reformist project of the Commission that considered representative government as the cornerstone of its vision for Sri Lanka. Key among the proposals was the provision to elect all representatives of local authorities by popular vote on the basis of universal franchise. Other important policy measures include the establishment of an Executive Committee of the Legislative Council on local government, a separate department of local government and the expansion of local government to cover the entire island. Thus, the recognition of local government as a key sphere of government, as the sphere of administering local public affairs on a countrywide scale, was important from the point of view of both state formation and democratization.

Meanwhile, the democratization argument with regard to the expansion of local government needs to be placed in its historical context, specific to the political change of Sri Lanka in the late colonial period.

This context is constituted by two components, namely (a) the subaltern demand for universal franchise and (b) the space opened up by subordinate social classes to use local government as a medium of political assertion. It was against this backdrop that local government, more than the Legislative Council, opened up new political spaces for subordinate social classes. While the Legislative Council in Colombo was confined largely to the dominant elites of Sri Lankan society, local government, consisting of town councils, urban councils and specifically village councils, became the new domain available for the subordinate local elites to participate in the process of democratic government. S. W. R. D. Bandaranaike, the first Minister of Local Government under the constitutional reforms of 1931, saw the political utility of the new space for democratization and effectively used it for building up his own political powerbase among the subordinate elites and subaltern classes. This eventually became a key power base of the Sri Lanka Freedom Party, which he established in 1951. Leftist parties too used local government for the mobilization of subordinate social classes in both urban and rural societies for radical politics of resistance.

Parallel to its close association with the democratization process and as a space for the politicization of subordinate elites and subaltern social classes, local government also functioned as an important institutional domain of the welfare state that emerged in the 1930s. While the government had its own machinery through ministries and departments with which to implement social welfarist policies, local government authorities played a key role in bringing the welfare state to the citizens of the poor and low-income social classes. Provision of free health and income support, electricity, water and sanitation, construction, road maintenance and other infrastructure facilities, and even provision of housing in municipal areas for the urban working class were services provided by local government bodies. In this sense, local government represented the branch of the state that was closest to the poor and subordinate social groups.

The background of Sri Lanka's local government in its formative phase, as described above, points to the transformatory role of local government in a society in transition to social and political democracy. Local government was the link between the centralized state and citizens who had no direct access to those state institutions that stood far above ordinary citizens. It brought representative democracy closer to citizens of the subordinate and marginalized social classes in both urban and rural societies by enabling them to elect local representatives from among their own local elites. In a society in which the majority

of citizens were peasants and in which there were multiple structures of marginalization associated with class, caste and ethnicity, the combination of universal franchise, the welfare state and local government played a critical role in political and social transformation. It facilitated the emergence of a local public with social and political rights of citizenship. It also provided space for marginalized local elites who belonged to the urban lower middle class and the rural middle peasantry, to be elected to local representative bodies of governance. It also, quite importantly, inaugurated a process of political inclusion that enabled the masses to exercise franchise rights and elect their representatives in local governance. Thus, local government constituted the link between the state and citizens rooted in local social relations, and thus brought the benefits of the welfare state to local citizens, further facilitating the process of social transformation.

Yet this is only one aspect of the political and social history of local government in Sri Lanka. Another aspect refers to the transformation of local government as spaces for local domination, local clientelism and locally based political exclusion. This aspect of local government has been interwoven with the ways in which Sri Lanka's representative, electoral and parliamentary democracy adjusted itself to social inequalities, elite domination, ethnic majoritarianism and the centralized state.

Conceptualizing caste-centric social and political exclusion in Sri Lanka, particularly in relation to Sinhalese society, is a somewhat difficult task because it is covered by a veil of democratic egalitarian ideology. Unlike in India, untouchability is not an issue raised in any discussion on caste discrimination in Sri Lanka. The constitutional and legal norms of equality and social justice do not reflect the recognition of caste-based social disabilities as an issue to be addressed by means of positive discrimination, equal opportunity measures or through a regime of group rights. Flexibility of upward social mobility available to some caste communities under colonial and post-colonial capitalisms (Jiggins 1979; Hettige 1984; Roberts 1984; Jayawardena 2003) has overshadowed the conditions of social exclusion and marginality experienced by other caste communities. Such exclusion takes place outside the coastal and urban areas in particular, where processes of capitalist penetration and class formation have not affected the salience of caste distinctions.

In the following section I describe the caste-centric production of marginality and social exclusion in the Kurunegala district, as seen from the experience of citizens belonging to the *kinnara* community, which is defined in the analysis as an extremely marginalized social group.

Case studies: Social setting and issues

The argument for linking local democracy with social transformation is made in response to an understanding of social conditions of political exclusion and political conditions of social exclusion gained through field work carried out by the author in Kurunegala district, which is located in the North-Western Province of Sri Lanka. The field studies, conducted during different periods in 2009–11, focused on three villages belonging to the *kinnara* community. This particular community is one of the most marginalized and socially excluded social groups in Sinhalese society. Most members of this caste live in partially secluded villages in Kurunegala, Kegalle, Puttalam Anuradhapura, Matale and Kandy districts. This particular geographical spread indicates that the *kinnara* community is not part of the low country social structure in Sri Lanka. People belonging to the *kinnara* caste community are still accorded a 'demeaning status' in rural society and are generally viewed as 'primitive and therefore uncivilized' (Silva *et al.* 2009: 43). Despite social and economic change that has broken down many structures of social isolation in rural Sri Lanka, relative social isolation, recurrent poverty, lack of economic opportunities for upward social mobility and an absence of political mobilization characterize the general social conditions of marginality of the *kinnara* community. This chapter brings field material gathered from two of the three villages studied in the discussion.

Case Study I: Social and cultural exclusion and the struggle for inclusion in Kohomba Kanda

Social and cultural exclusion provide a unique context to the social conditions of poverty of the villagers of Kohomba Kanda. It is a relatively small village with about 35 families. In social terms, Kohomba Kanda is a mono-caste village where only families of the *kinnara* community reside. The villagers are economically poor. The land they live on and the paddy fields they cultivate belong to the village temple. Cultivation of paddy does not provide enough food or income to the families. Therefore, many men and women are engaged in casual daily labour outside the village. A few young women work in garment factories.

Denial of religious and cultural rights constitutes the core condition of their social exclusion and resultant political exclusion. There are several elements in the religious, cultural and, of course, social deprivation experienced by the villagers in Kohomba Kanda. The villagers do not have free access to the Buddhist temple in the village in order to fulfil

their religious and cultural needs, and the monks do not accept the cooked food offered by Kohomba Kanda villagers. Monks of the temple do not visit homes of the Kohomba Kanda villagers to chant *pirith* (to ward off fear and sickness), to accept alms (*daane*), or for any other of the villagers' religious functions. When the villagers have a family funeral, they invite monks from a distant village or even lay people to perform Buddhist rituals.

There is a history to the continuing relationship of distance and tension between the temple and the villagers in Kohomba Kanda. Several years ago, in the mid-1990s, a small group of young educated men and women in Kohomba Kanda decided to ask the chief monk of the temple to end the traditional practice of not accepting *daane* offered by the families of their community. The chief priest was initially reluctant, but later accepted that it was a fair request. The chief monk was an educated monk with political party connections to the Sri Lanka Freedom Party, the ruling party at the time. He was sympathetic to the request made by the young men and women, as he knew that these villagers had for generations been excluded from their fundamental religious rights. Despite his sympathy, the chief monk could not make a decision on his own. He needed to consult the Temple Patrons Committee (*daayaka sabhawa*) and promised the delegation that he would accept the alms offered by them, but only if the committee agreed.

The Temple Patrons Committee discussed the matter and decided not to deviate from what they saw as the 'age old tradition' that had, they believed, a 2000-year history. Significantly, the majority of people living around the temple even today belong to the upper-caste *govigama* community. They manage the Temple Patrons Society and assist the chief monk to administer the affairs of the temple. A strong notion of purity and pollution about food seems to exist in the ideology of caste separation in the village. Thus, the social existence of the temple is entirely linked to the upper caste *govigama* community in the village. As a result, monks have had only limited social or religious interaction with members of the service caste who live in Kohomba Kanda. Conversely, members of the *kinnara* community have only hierarchically (servant-master) defined and limited social relationships with the temple and the residents of the upper-caste villages. They offer flowers to the *Bodhi* tree and to the Buddha, but the monks do not officiate at religious rituals specifically on their behalf. They could, of course, join the general congregation in religious functions, but that would be conditional on maintaining a studied distance from those who hold secular and spiritual power in the temple.

The temple's refusal to accept cooked food from the Kohomba Kanda villagers led to much tension between the temple and its upper caste patrons on the one hand and the Kohomba Kanda villagers on the other. In 1994–95 there were open arguments and even minor fights between young men of the village and members of the Temple Patrons Committee. The matter was reported to government officials, not as an issue involving rights claims of a community, but as a dispute between two factions of the village. The police and the village administrative officer, *grama niladhari*, took the side of the temple and the Temple Patrons Committee, those who had power.

During the negotiations, a somewhat secular explanation was offered by the lay patrons for the monks' refusal to consume cooked food offered by Kohomba Kanda villagers or to visit their houses for religious functions: their houses were unclean (*kilutu*) and unhygienic (*apirisidu*). Young representatives of the Kohomba Kanda village were outraged and pointed out that this was actually not the case. After much tension and negotiations, the chief monk proposed a compromise. The villagers could bring their food to the temple and leave it on the premises but without the monks performing the ritual of accepting alms. However, the villagers were not convinced that the monks would consume their cooked food at all. They feared that their *daane* would be wasted. This apprehension clearly indicates the level of extreme cultural detachment and alienation that continued to exist between the temple and the *kinnara* community. When I went to the village in 2009, I found that the issue remained unresolved. Even 12 years after the initial conflict, the temple and the villagers had not yet managed to work out a mutually acceptable compromise. Instead, the villagers had the same old story to share with me, with new stories of continuing social exclusion, discrimination and political marginalization. The temple did not accept cooked food from the villagers and villagers did not leave cooked food in the temple premises. On the part of the villagers, this was an act of defiance and resistance. They were not prepared to accept conditional, partial or asymmetrical inclusion on terms defined by the Temple Patrons Committee. What they sought was comprehensive inclusion on egalitarian terms. That was the essence of their struggle for inclusion and recognition. The monks did not participate in any religious or cultural needs of the villagers. The relationship between the village and the temple continued to be one of mutual distance. For their religious needs, villagers visited temples outside the village or in the main provincial town where their caste identities were not known.

The villagers had more stories to share about their experience of social discrimination and their own acts of resistance. Children continue to suffer indignity at the hands of teachers and parents of upper-caste children. There were also stories of young boys from the village being constantly reminded of their 'low-caste' status by their school friends and their parents whenever they crossed the boundaries of social submission. This is also confirmed by Silva *et al.*, who note that the children of the *kinnara* community 'are not well received by teachers and peers in the local schools, most of whom come from higher caste background' (2009: 43–44). Listening to the stories of how the villagers were being 'treated differently' (*venaskam kirima*), I found that they have multiple narratives of social victimhood. Three expressions that recurred throughout the conversations on victimhood the villagers had with me were (i) *venaskam kirima* (being treated differently in a discriminatory manner); (ii) *kon kirima* (being pushed to the margins); and (iii) *pag-ima* (being trodden or trampled on). The village school was the other public space, next to the Buddhist temple, where 'acts of negatively differentiated treatment' (*venaskam kirim*) are enacted.

Even assuming that the villagers as victims of discrimination had a tendency to exaggerate their experiences of victimhood, my assessment is that open conflict between those who have power and those who do not regularly occur. Conflict has now become somewhat subdued, as both sides have learnt to live on the principle of accepting their separateness. However, when conflicts do occur, they generate intense emotions and intergroup tension, leading to extensive discussions within the community, within families, and among the young and old alike. In the absence of mechanisms for mediation in inter-caste disputes, such incidents in turn reaffirm hostilities, separation and exclusion.

What do these narratives of victimology suggest to us in relation to theorizing local democracy? They provide a strong critique of the forms of existing local democracy, from the actual experiences of exclusion, non-inclusion and struggles for inclusion among victims of hierarchically ordered power relations that are legitimized in the spheres of religion, culture, tradition and ideology that exist in rural society. These victims' accounts constitute both a critique and material for political reflection for transcendence, to think and act beyond the existing limits of local democracy.

Voluntary citizens' associations are an important institutional mechanism for local democracy, enabling citizens to organize themselves in order to promote and address their common interests. However, from

the point of view of citizens of the *kinnara* community in Kohomba Kanda, the local civil society is not a democratic or egalitarian social space. They are not included in the local funeral assistance society or any other voluntary citizens' association. The Temple Patrons Committee, which is one of the most powerful local associations, is totally out of bounds to the *kinnara* community. Practices of both exclusion and non-inclusion keep these citizens totally outside the pale of the local civil society. Neither the local state officials nor the local elected representatives, not even local political party activists have taken any interest in making local civil society open and be more pluralistic in social terms. The point is, then, that the arrested process of societal democratization is further reinforced by the socially undemocratic space of local civil society.

Case study II: Alienation from state institutions in Ambahena

The experience of the *kinnara* community in Ambahena illustrates the limits of state action in establishing even a limited measure of economic and social advancement to an extremely marginalized caste community as long as social exclusion prevails. The village of Ambahena was founded by the government in the 1970s adjoining an industrial estate, which was inaugurated as a part of the government's rural development initiatives. Twenty-eight families, with a population of 160, live in this small village. The most striking feature of the lives of the community in Ambahena is not their poverty but the social isolation that exists along with poverty. The narrow and small strip of land where the village is located is separated from the traditional village where upper-caste families live. Villagers have little regular contact with neighbouring villages. In a way, Ambahena village is a geographical and social enclave.

One key aspect of this community's conditions of marginality is the way in which the local state institutions and officials ignore their grievances. They have a strong narrative of being ignored by state officials because of their 'poverty'. Poverty (*duppathkama*) is an indexical reference to both their economic deprivation and social marginalization. According to the villagers, the *grama niladhari*, who is a woman, hardly visits the village. Even when the villagers contact her to ask for her assistance, she has been unresponsive. For example, she refused to give letters to villagers of Ambahena recommending the provision of government land in the same village where upper-caste families live on the premise that they should be given land to set up a 'separate village' (*venama gamak hadanna*). For the villagers this was a clear statement of how a state official did not want their community in Ambahena to mix

with people from other neighbouring villages. The villagers interpret the attitude of the *grama niladhari* as an expression of her caste arrogance (*mannaya*). It is officially sanctioned social exclusion. A separate village, as the *grama niladhari* suggested, is a strategy to maintain social separation. Yet they have not politicized this issue, as challenging state officials even at local level by a marginal social community without consistent external support is easier said than done.

The neglect by the local council (*pradeshiya sabha*) to repair the access road to the village is another key complaint made by the Ambahena villagers. Neither the *pradeshiya sabha* nor the divisional secretariat has responded to repeated requests made by the villagers to build a proper road to the village, provide electricity and drinking water, build houses for the homeless in the village and to give villagers an adequate area of state land so that the community can expand. There is no longer state assistance to expand the village craft industry either. No state agency, or even a non-governmental organization (NGO), has visited the village to mobilize the villagers in any poverty alleviation or self-employment scheme.

The theme, to which the case studies point and the account of Ambahena dramatically highlights, is the relative alienation of a specific community of citizens from the state, despite its initial promise of intervention for change. Initial state intervention in the form of providing land for the families to settle on, in a locality of their own, offered a sense of stability to the community. However, the unanticipated outcome is the formalization of separation and exclusion of the community in a geographical and social enclave, thereby producing their condition of marginality and social exclusion anew. The community is isolated not only from the rest of the upper-caste communities in the area but also from state agencies. The paradox here is that the citizens of Ambahena need the state in order to escape from the continuing conditions of marginality, but the state reproduces the very same conditions of marginality. This is a fundamental problem of local democracy as far as the desire for social emancipation of the community is concerned. I will explore this theme further in the next section.

Social exclusion and incomplete democracy

These accounts of two poor and socially marginalized communities raise some important political and theoretical concerns about social exclusion and local democracy, which in turn warrants discussion as a separate thematic concern because of its centrality in understanding

how local democracy coexists with inegalitarian social structures and practices. In the political discourse of egalitarian democracy in Sri Lanka, class and gender are usually included. Caste-based exclusion does not figure at all in the democratization discourse, even among left/radical political parties and civil society activists. 'Class' is the main discursive category under which caste is subsumed. The subsuming of caste by class in the political discourse has sent caste-based social grievances and rights claims underground. Thus, they exist as a subterranean and illegitimate mode of imagination about social emancipation (Uyangoda 2000).

Local social exclusion damages local democracy in a particularly dehumanizing way, a key point pursued in this chapter. Perhaps the worst instance of inequity and social exclusion that has damaged local democracy as found in this study was in Kohomba Kanda. Social exclusion has led to political exclusion as well as non-inclusion. In Kohomba Kanda, political party representatives do not usually visit the villages except during election time, and no political party has been to the village to form a party branch. The villagers are not included in the patronage networks of local politicians either. Villagers did not express much faith in local democratic institutions, due to understandable reasons. Neither the *pradeshiya sabha* nor the divisional secretariat seems to provide the villagers with any services. According to a number of villagers, the *pradeshiya sabha* had very little or nothing to offer. The explanation offered was that the Temple Patrons Committee was instrumental in preventing state assistance to the community. The point is that power structures in the village and the power structures of local governance are interconnected.

During the interviews with members and officials of local government institutions as well as local NGOs, it became clear that there is a shared blindness among all of them to caste-based political exclusion under the existing institutions of local democracy. The general pattern revealed during interviews is as follows: all were aware that there are communities that suffer discrimination and marginalization due to the combination of caste-based marginality and poverty. However, they were not conscious of the fact that the marginality of these communities is expressed and reproduced in the form of their isolation from the benefits of the democratic process. They were not sensitive to the fact that political parties as well as local government institutions ignore them in a variety of ways. They had no understanding of how these citizens continued to remain incomplete citizens with access only to incomplete and inegalitarian forms of democracy. They generally believed in

PROOF

Jayadeva Uyangoda 293

the idea that under 'our democracy' all citizens were equal and that all 'equal citizens' had unencumbered access to the institutions of local governance. When asked about the need for the development of special programmes by local government institutions aimed at ensuring practices of positive discrimination in order to enable the marginalized caste communities to gain access to the benefits of development and democracy, many responded with muted bewilderment. All this demonstrates that as long as democracy is institutionally blind to its own victims, its capacity for social and political change is not very strong.

The lack of interest among state or representative institutions to integrate the citizens of poor social classes and the marginalized caste communities within mainstream political life has produced two outcomes. First, some members of one community have managed to establish patronage linkages with powerful national politicians with local power bases, thereby bypassing institutions and actors of local democracy. This was illustrated in Pokunuyaya, another village inhabited by members of the *kinnara* caste community. When this village was set up in the early 1980s by the then prime minister, villagers were directly connected with the national patronage network of the prime minister himself, who later became the president. To get their needs attended to, villagers could approach the local agent of the prime minister/president. With the death of the president and subsequent change of governments, the Pokunuyaya villagers took the pragmatic decision of shifting their loyalty to the new ruling party. They established political links with a cabinet minister who represented the Kurunegala district, but when a new minister with greater access to the highest centres of power and resources emerged in 2010, some of the village leaders turned to him instead. At the local elections of March 2011, most of the villagers voted for *pradeshiya sabha* candidates who were sponsored by the new powerful minister. The services they expect from national politicians include those basic needs that have not been attended to by the local *pradeshiya sabha*, including the provision of electricity and drinking water to all houses, construction and repair of village roads, facilitation of housing and agricultural loans, land to the landless and security, all of which go beyond the capacity of the *pradeshiya sabha*, the local institution of democracy. What is interesting though is the fact that the community leaders find it easier to establish working links with national politicians rather than local ones. This represents a subtle strategy for transcending the politics of caste exclusion that operates locally. Unlike local politicians, national politicians tend to accommodate different caste communities in their structures of electoral support.

Caste-based social and political exclusion is fundamentally a local affair. And this is how it affects, damages and injures local democracy.

The second outcome is the entry of a handful of local NGOs into these villages as the mediatory link between village citizens and local institutions of the state. Socially and politically excluded communities need intermediaries through which to gain access to state and representative institutions. In Ambahena, a local NGO helped village women to set up a women's society. Using its own social development funds, it built a few houses for the village homeless, repaired part of the road to the village, dug a well for drinking water and acted as an intermediary with the local *pradeshiya sabha* to secure electricity for the village. When village men have problems with the police or local state agencies, the NGO acts as a link to settle disputes and facilitate state assistance to the community. Thus, NGOs have become an integral agency of local governmentality. They fulfil various services on behalf of the state as well as the community functions that the local agencies of the state fail or ignore. However, the activists of this NGO do not think it necessary to address the question of acute social inequality and its damaging consequences for the excluded in terms of their individual and social well-being, human dignity, rights, social justice and democracy. Offering welfare services and assistance is their main area of activity. They believe that regular visits by NGO staff will break the social isolation of these communities. They are unaware of the fact that through their social service activities, they are building non-governmental patron-client networks with the rural poor.

Arrested democratization, incomplete democracy and incomplete citizenship

Incomplete democracy under conditions of continuing social marginality also reproduces a regime of 'incomplete citizenship'. T. H. Marshall's concept of social citizenship is useful as a heuristic device for highlighting the phenomenon of incomplete citizenship. Marshall defined citizenship as 'a status bestowed on those who are full members of a community'. According to this definition, 'all those who possess the status are equal with respect to the rights and duties with which the status is endowed' (Marshall 1950: 28–29).

There are two important points in Marshall's influential definition of citizenship that are directly relevant to this discussion on incomplete citizenship in the context of Sri Lanka's rural society. The first is his linking of citizenship to a 'community' rather than exclusively to the state, which, as some feminist scholars have argued, enables an analytical

PROOF

Jayadeva Uyangoda 295

view of citizenship 'as a multi-tier construct, which applies to people's membership in a variety of collectivities – local, ethnic, national and transnational' (Yuval-Davis 1997: 5). It enables us to evaluate the extent to which people are 'full members' of the communities they belong to while being members of the macro political community of the nation-state. Secondly, in Marshall's conceptualization, to be 'full members' of a community, citizens should have civic, political and social rights. Social rights are most crucial for citizenship, because they enable individuals belonging to disadvantaged groups to effectively exercise civil and political rights. Social rights also go beyond individual rights of citizenship, as conceptualized in the traditional liberal theory of citizenship. Individual autonomy, so central to the liberal theory of citizenship, cannot be meaningful outside social rights and social relations of power. We may add a third point derived from the republican and feminist perspectives on citizenship that foreground civic engagement and active political participation, namely that to be a citizen, one should be able to act as a citizen (Lister 1997). Citizenship in this sense is not just a legal status of membership in a nation-state but an enabling quality for individuals to act as citizens in relation to communities of which they are members.

The citizens of Kohomba Kanda and Ambahena are citizens of the nation-state in a legal sense. They have membership of the state of Sri Lanka. They have formal political rights of citizenship too. However, their political rights remain grossly incomplete. No political party has so far recruited any of these citizens as party members. They are not included in party mobilization at local level. None of their members has so far been included in any list of party candidates at elections. They have no representation at any elected assembly. They don't have direct access to either institutions of elected local governance or to local agencies of the state. Their access to those institutions is either very limited or mediated by NGOs. Voluntary citizens' associations in the locality do not open their doors of associational democracy to members of the *kinnara* community. They are thus shut out from local non-state spaces of interaction and democratic deliberation. In other words, they lack full membership in the local political community. Theirs is an incomplete membership. Being denied religious rights within the cultural community they belong to, their membership of the Sinhala 'nation' is under constant self-doubt. The questions implied in a number of interviews I had with citizens of the *kinnara* community on this general theme were as follows: 'are we Buddhists, or are we non-Buddhists. Or are we actually

half-Buddhists? Are we Sinhalese or half-Sinhalese? What is it that we lack to be a complete Buddhist or a complete Sinhalese?' It is a continuing self-doubt about their political and cultural identity as citizens, or even half-citizens. How would any new initiative for democratic reform address this citizenship anxiety among incomplete citizens? This issue needs to be confronted head on in democracy interventions in Sri Lanka.

The limited measure of political rights that the citizens of the *kinnara* community can claim within the local political community is an outcome of an incomplete political democracy that is embedded in incomplete societal democracy. The uneven access to political democracy in rural society reflects the arrested nature of societal democratization. Political rights based on universal franchise, the welfare state and the left movement have made a historical contribution towards societal democratization in Sri Lanka, particularly during the middle decades of the 20th century. The weakening of the strictly hierarchical caste structure in rural society and the ability of some subordinate caste communities to acquire upward social mobility as well as access to the capitalist economy and electoral democracy were integral aspects of this first phase of societal democratization in Sri Lanka. That phase seems to have come to an end. The marginal caste communities that have not benefited from the first phase of societal democratization include not only the *kinnara* community but also the poorest sections of the *bathgama*, *wahumpura*, *berawa*, *padu* and *hena* communities, which can be described as subordinate caste groups. Those who have benefited from political democracy, the welfare state and capitalism have become elite strata of these communities. The poorer and weaker sections of these caste communities continue to remain politically marginalized and socially excluded.

Each of the case studies outlined above exposes the incomplete and inconclusive nature of political and societal democracy in rural society. The key points highlighted can be summarized as the following four conclusions.

First, political democracy has penetrated Sri Lankan society in a horizontal direction in the sense of spreading franchise, political parties and representative democracy. However, political democracy has not been accompanied by social and cultural democracy to communities that are considered socially inferior. As a result, political democracy without social and cultural democracy remains both incomplete and only partially relevant to the lives of those who are denied social and cultural rights on the grounds of social inferiority.

Second, the democratization process has not yet enabled the citizens of marginal caste communities to enjoy full democratic participation. They have political rights in the form of voting rights, but beyond these minimal political rights, they continue to experience exclusion in the domains of social, cultural, educational and employment rights. Consequently, citizenship rights of the marginal caste communities remain incomplete in political, social and cultural spheres. Incomplete citizenship in practice amounts to the denial of citizenship rights in everyday social existence.

Third, electoral democracy, which is the primary form through which political democracy has reached the rural society, no longer provides the marginalized caste communities with avenues and mechanisms for democratic participation and inclusion beyond the right to vote. The democratic exclusion they encounter is an outcome of a range of political practices embedded in the actually existing political democracy. The link between political parties and citizens of marginal caste communities is non-existent, or at best weak and fragile.

And fourth, there is a continuing separation and detachment between institutions of local governance, both representative and administrative, and the citizens of the marginalized caste communities. That detachment is the cause of most of the existing democracy deficits in the rural society. Addressing democracy deficits requires a fresh look at local government and re-inventing local government so that they may be instrumental in societal and political democratization.

Implications for local government

What concrete ideas do the accounts of the marginal caste communities suggest for achieving the goal of democratizing local government? At the top of such a reform agenda would be bringing institutions of representative governance closer to these communities so that barriers that sustain democratic exclusion would not continue to hinder their access to local spaces of political power, even though their removal will require a rural social revolution. By making this point, one should not entertain the illusion that social egalitarianism leading to political inclusion will be an easy goal to achieve. Local and micro-level changes alone can hardly precipitate processes of social transformation. State action at macro and national level is the key to egalitarian social change. However, the point made in this chapter is that macro-level state interventions overlook local, micro-level barriers to egalitarian and democratic socio-political change. This highlights the importance of

taking local government seriously and reinventing local government as a necessary agency for local-level democratization.

In such a reform agenda, it is necessary to acknowledge that the present structure of representative local government is not adequate for ensuring representation for marginalized micro-social communities at any level of governance. This is due to the relatively small size of their numbers in areas where they live and the dispersed nature of their spread within districts. Making village councils the lowest unit of local governance, designed as village assemblies such as the *Panchayati Raj* in India, is one option for ensuring their representation at local institutions of representative governance. Such a village council unit, designed specifically to bring the state nearer to excluded citizens, would ideally cover the area of a *grama niladhari* division. Even in a system of village assemblies, representation of marginal caste communities and women through a quota system is essential to prevent the repetition of democratic exclusion stemming from the unequal social and political order.

This is where the notions of 'subsidiarity' and 'proximity', which have recently entered the official policy discourse on local government in Sri Lanka, need to be re-understood and re-framed in terms of sociology of political power. It is not sufficient to look at subsidiarity and proximity from an institutional perspective only in order to address social deficits of local democracy. As long as caste, and of course class and gender as well, barriers exist, subsidiarity and proximity will have no direct relevance to communities subjected to social and political exclusion. It will only enhance the proximity to political power already available to local elites.

Improved representation in village assemblies will, however, have no meaning unless the assemblies are shaped into institutions of economic development and social transformation. Two things are crucial in this regard. First, village assemblies should be entrusted with an agenda of local economic and social development. They should not be mere service delivery entities like the existing *pradeshiya sabhas*. Second, they should not depend on the *pradeshiya sabhas* or provincial councils for financial resources and capacity development. Their relative autonomy from local hegemonic power structures and hegemonic power struggles is a necessary precondition in order for village assemblies to act as agents for rural development, social change and transformation.

Assured political representation for marginal caste communities in institutions of local representative governance is also a necessary secular step to ensure their religious and cultural rights of inclusion in

society. Improved representation is one way to enable these communities to bring their struggles for equality and inclusion, which take place in the cultural domain, to the political domain and into the arena of open, democratic contestation. Without such representation, what happens is the relegation of their struggles to a domain of social illegitimacy, producing consequences of further rejection and humiliation. Thus, the struggles of the marginalized are never acknowledged as political struggles for rights. Representation in local democratic institutions of governance will hopefully take these struggles out of the 'private' domain and into a public sphere of contestation where challenges to local hegemonic structures become a legitimate aspect of democratic processes.

Dealing with caste-based marginalization, as well as issues of democracy and citizenship arising out of caste-centric discrimination, is a complex issue to be raised in Sri Lanka's political and cultural contexts. The main reason for this is the public denial of caste as a source of social injustice and violation of group rights. The political discourse of social equality against caste discrimination is extremely weak in Sri Lanka. Even raising the question of inter-caste equality in the public domain is stigmatized in the belief that Sri Lankan society is adequately egalitarian so as not to necessitate the making of caste-centric demands public. This is a key reason why caste conflicts, disputes, negotiations and even caste representation in electoral lists, the legislature and the cabinet take place in relative secrecy, even though political actors are quite aware of it. Overcoming this taboo on discussing caste demands in public is necessary if the social and political exclusion of caste communities is to be overcome.

Finally, it is important that local government reform discourse moves decisively away from that of mere institutional reforms. Inventing and reforming institutions are a necessary condition for greater democratization of local government, but it is not an adequate condition, as shown in this chapter, for renewal of local democracy. Institutions work within social and political contexts. So does democracy. Without making democratic institutions agencies for transforming existing inegalitarian social contexts of power, local government reforms can hardly be expected to achieve any new democratic outcomes.

Notes

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PROOF

Jayadeva Uyangoda 301

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PROOF

14

Experiences and Strategic Interventions in Transformative Democratic Politics

Kristian Stokke and Olle Törnquist

The point of departure for this book has been the observation that the contemporary Global South is characterized by a seemingly paradoxical co-existence of formal institutions that are supposed to support liberal democracy and stagnation of democratization towards its universally accepted aim of popular control of public affairs on the basis of political equality (Beetham 1999). The global spread of liberal democratic institutions and neoliberalism has brought political and economic vibrancy, but also problems of depoliticized public affairs and flawed popular representation. This points to the need for more extensive democratization and especially raises questions about the means by which limited and poor institutions can nevertheless be used in efforts towards extensive and substantive democracy. The general answer provided by the contributors to this anthology has been to highlight the centrality of transformative democratic politics. This refers to political agendas and strategies to use emerging democratic freedoms and institutions to promote improved popular control of public affairs on the basis of political equality. The three parts in the book have sought to give conceptual and contextual depth to this agenda by examining comparative experiences with transformative democratic politics. The present chapter will extract some of the key lessons from these analyses before turning to a discussion of strategic interventions in support of transformative democratic politics.

Political economy and transformative democratic politics

One theme that runs through this book is that there are close links between transformative democratic politics and political economy, as

seen in the historical making and contemporary changes of Scandinavian social democracies; the new experiments with transformative local politics in Latin America, South Africa and Indian state of Kerala; the failed cases of transformative politics in Indonesia and Sri Lanka; and various efforts to develop local alternatives to clientelism. Spaces, actors and strategies for transformative democratic politics are obviously framed by their political economic context. The historical experiences in Scandinavia and the contemporary political dynamics in the Global South that have been analysed in the preceding chapters are both set against what Polanyi (1957) famously describes as state-supported promotion of self-regulating markets and a hegemonic belief that market liberalism is the natural organization of economic activity. Likewise, Munck (2002) and other scholars have portrayed contemporary globalization as a second great transformation, especially characterized by economic deterritorialization and flexibilization. In both periods, it can be observed that the movement towards commodification of labour and nature has fostered diverse and context-specific counter-movements to protect society against social dislocations. The diverse struggles for popular interests and democratic control that have been examined in the preceding chapters can thus be seen as framed by the political economy of two great transformations towards market society.

In the Scandinavian case, the counter-movement against marketization gave rise to a distinct social democratic transformative project, as opposed to parallel fascist/Nazist and communist projects elsewhere. Some scholars have argued that such post-war social democracy has been little more than modified liberalism, which in turn has been mixed with the legacy of Christian Democracy in the context of the European Union (Judt 2007). In contrast, this volume supports the conclusion of Esping-Andersen (1985), Berman (2006) and others that Scandinavian social democracy aimed at a separate order in its own right, especially until the 1970s. It is also observed that there are now 'tendencies in Norway and Sweden toward a rehabilitation of certain Social Democratic traits' and 'renewed interest in the Scandinavian model internationally' (Sejersted 2011: 9); a recent example of the latter being the flagship report of UNRISD (2010) on experiences in the struggle against poverty and inequality.

While transformative democratic politics is framed by its political economic context, the preceding chapters thus rest on an argument about the primacy of politics (Berman 2006). The notion of transformative democratic politics is defined in contrast to the economic modernization thesis that capitalist growth is the major precondition for

democracy. Instead the contributing authors have emphasized the role of key political actors and their strategies to use democratic political spaces to improve democracy and pursue popular interests by facilitating welfare-based economic development. This agenda highlights the interplay between institutions for governance of public affairs and channels for political participation and representation, on the one hand, and the diversity of actors, strategies and capacities involved in transformative democratic politics, on the other.

In terms of the social basis of transformative democratic politics, the present volume is marked by a certain foregrounding of popular actors and mobilization from below. But it has also shown that common assumptions about the agency of counter-hegemonic movements from below must be qualified, as popular movements are often hampered by problems of fragmentation, lack of political capacity and challenges of scaling up from particularistic issues. Hence we argue in favour of popular organization and claims for institutional and policy reforms that can accommodate popular interests and demands. This being said, the preceding chapters have also pointed to examples of social reforms that have been initiated by elite actors and the state, for example in India and China. The latter cases show that successful institutionalization of reform from above requires continuous support and contestation from popular mobilization in a mutually reinforcing process of transformative democratic politics. In conclusion, this calls for critical attention to the politics of state–society relations rather than any singular emphasis on community and civil society organizations or the elite and government.

A major difference between the old and recent great transformations is to be found in the realm of economic and political territoriality. The early waves of globalization and imperialism from the late 17th century and most extensively from the 1850s came to a brutal end with World War I and the era of the strong states. Hence historical experiences with transformative politics in the Scandinavian countries occurred within a political economy that was to a significant extent embedded in the territoriality of the state. While international trade and competitiveness played a decisive role in the development of these northern economies, contemporary globalization processes have no doubt produced more comprehensive shifts towards economic deterritorialization. Simultaneously, there are strong tendencies towards transfer of state authority vertically to supranational and subnational scales and horizontally to the market and civil society. This means that political authority has become more polycentric and technocratic and that

popular representation has become a basic democratic problem, as discussed in our previous anthologies (Harriss *et al.* 2004; Törnquist *et al.* 2009). But neither depoliticization nor polycentrism implies the end of the state. On the contrary, this volume shows that the state remains a key locus of transformative democratic politics. The major difference is that transformative democratic politics has become more multi-sited and multi-scalar, meaning that market institutions and civil society at local, national and global scales have become increasingly important in addition to conventional politics centred on the central state. These sites are not, however, autonomous political arenas but are rather inter-related nodes of transformative democratic politics – which is why the issue of democratic representation becomes increasingly important.

Finally, the present volume also demonstrates the close links between political economy and transformative democratic politics in the sense that economic and social issues are central to efforts at broad and substantive democracy. Both historical and contemporary experiences point to the importance for successful transformative politics of economic growth based on social citizenship and welfare policies. This is confirmed in the preceding chapters. In this context one critical question is whether and how it may be possible to transform elitist welfare reforms and fragmented livelihood struggles in India, Brazil, Indonesia and elsewhere into strategic policies and institutions that can strengthen both economic development and the democratic capacity of ordinary people. These and other issues show that although the present volume emphasizes the primacy of politics, transformative democratic politics is inexorably linked to general and contextual political economic structures and processes.

Lessons in transformative democratic politics

Transformative democratic politics refers to agendas and strategies to use emerging democratic freedoms and institutions to promote institutional and policy reforms that may enable people to achieve their aims and to improve democracy itself. Empirical evidence suggests that such transformative democratic politics is preconditioned by universal human rights, citizenship-based democracy, liberal-democratic constitutionalism and democratic institutions for issue and interest-based representation. This creates context-specific political spaces for developing demands from below for institutional reforms and inclusive welfare and economic policies from above. The focus is thus on whether and how popular demands for improved democratic participation

and representation and for issue and interest-based policies produce favourable and democratically decided policies that are also implemented in a democratic manner. What are the key lessons from this volume about the possibilities and problems of developing this kind of political dynamic?

First, several of the chapters draw attention to the manner in which public affairs are defined and delimited. It has already been mentioned that the contemporary period is marked by general tendencies towards neo-liberal depoliticization of public affairs. Several chapters show, in contrast, that a key component of transformative democratic politics is to redefine what issues should be subject to democratic and inclusive decision making. They also emphasize the institutional arrangements and capacity of the state to manage public affairs and implement models for economic growth that are environmentally sustainable and based on social welfare. The importance of state capacity is particularly clear in the Scandinavian and Latin American cases, as well as in the analysis of the different Indian states' capacity to negotiate and utilize global economic imperatives to promote both economic growth and social welfare. The contributors to this volume especially highlight state capacity as a product of mutually reinforcing relations between state and society. The importance of institutionalizing citizen- and interest-based representation and participation in decision making and state governance of public affairs is thus a foremost lesson from the preceding chapters.

Second, most of the case studies and comparative analyses in this volume emphasize the importance of popular mobilization, but also identify common problems of fragmentation and lack of organizational capacity. While the construction of political alliances of popular movements, labour unions, civil society organizations and political parties is vital, it is contingent on the existence of unifying issues and interests as well as a conducive political system that can foster close relations between the actors. Such political blocs (beyond specific interests and narrow party politics) have played a vital role in the historical making of the Scandinavian social democracies as well as the contemporary 'pink tide' governments in Latin America and post-apartheid transformations in South Africa. But these cases also demonstrate the challenges of both maintaining such blocs over time and to scale up from local to central politics, again pointing to the need for institutionalizing robust channels for political and interest-based participation and negotiations in addition to liberal elections.

Third, the present volume also points to the complex relations between democratic institutions and democratic practices. The

prevalent assumption, especially within the transition approach to democratization, is that democratic practice will follow from democratic institutions. In contrast, the preceding chapters and our previous anthologies have shown that institutions supposed to foster democracy often co-exist with non-democratic practices such as political clientelism and entrenched political exclusion of specific groups (Harriss *et al.* 2004; Törnquist *et al.* 2009). This means that transformative democratic politics cannot be confined to institutional reforms in a narrow sense but must also address the manner and degree in which people can become rights-bearing citizens who can both foster and participate in transformative democratic politics.

Strategic interventions in support of transformative democratic politics

The notion of transformative democratic politics discussed in this volume can be contrasted to the two mainstream general strategies for promoting democracy. First, the elitist introduction of supposedly ideal and universal liberal democratic institutions without altering the basic relations of power, and second, the elitist conservative crafting of strong institutions of rule of law and governance ahead of democracy. The liberal approach, on the one hand, is based on the expectation that moderate reformist actors, having been granted containment of radical popular movements as well as private ownership of public resources, will adjust to new institutions of freedoms, elections and civil society and thus become democrats. The conservative approach, on the other hand, assumes that enlightened autocrats and technocrats will foster what Huntington (1965) famously called 'politics of order' towards the rule of law as a precursor to political liberalization, to thus prevent abuse of liberal institutions and conflicts (Carothers 2007; Mansfield and Snyder 2007). The typical policy recommendations are therefore to support the crafting of liberal democratic institutions, especially civil and political freedoms and elections, or strong rule of law ahead of such liberties. By contrast, the idea of transformative democratic politics is based on the extensive empirical evidence that the liberal elite primarily tends to adjust to the new rules and regulations by bending and breaking them; that the same applies to the supposedly enlightened autocrats with regard to the institutionalization of rule of law; and that fragmented civil society groups have proved unable to build an alternative. Consequently, further support to institution building and civil society should be preceded by (a) firm knowledge on why these

negative results have occurred; (b) what alternative actors of change are present or may develop; and (c) what would it take to gradually support these propelling forces and processes instead. In short, while the mainstream approaches support elitist institution building as the foremost intervention strategy, our approach points to the importance of support for popular forces and their allies in their efforts to broaden and make emerging democracies more substantive.

The emphasis on transformative democratic politics in the present book goes a step further than our former volume on popular representation, in the sense that it highlights the need for close attention to constellations of political actors and forces as a basis for four strategic policy interventions.

The first type of policy intervention is support for inclusive and clear definitions of public affairs and citizenship. This fundamental precondition for democracy has often been taken for granted. Furthermore, the content and delimitations of public affairs have been blurred in the extensive process of privatization of matters that many people deem to be of common concern. This has produced minimalistic democracies with little impact on crucial economic and social processes and poor capacity to implement decisions. It has also contributed to growing problems of corruption and lack of transparency. Another aspect of the hollowing out of public affairs is the new emphasis on polycentric self-management in civil society. Ostrom (1990) and others may be right in arguing that people left on their own can govern local commons, but this does not answer the questions of what it takes to prevent external interventions or how localized governance can be scaled up. Similar problems apply to segmented governance of specialized sectors as well as to governance based on ethnic, religious, caste and other group identities. It remains true, as argued in the previous volume, that the basic problem is poor democratic representation. But as has been made increasingly clear in this book, better representation presupposes the reinvention of clear and inclusively defined public affairs and citizens.

The second type of intervention is policies that facilitate democratic development. This refers both to institutions for democratic decision making and to impartial implementation in accordance with the intentions and in support of further development of democracy. Our earlier anthology identified three policy areas as particularly important for improved popular representation: popular capacity building, popular organization building and a government committed to facilitation of popular representation (Törnquist *et al.* 2009). This means, first, to

enhance the political agency of the individual with respect to political participation and representation. Next, it also means to support popular organization in their political role vis-à-vis both the state and the demos, that is, to address obstacles for organizing, problems of fragmentation, lack of institutional channels and problems of depoliticization. And finally, the policy agenda also includes the need for introducing and strengthening institutional spaces and sites for popular political participation and representation.

The present volume lends support to further identification of such policy interventions in two regards. There is, on the one hand, the particular importance of *welfare reforms* that strengthen both the democratic capacity of the citizens and economic development. Examples include reforms that have (a) strengthened the independent position and work participation of women; (b) fostered education, welfare and full employment to strengthen the position of the employees (and serve to integrate immigrants) as well as the development of efficient corporations and service providers; (c) facilitated equal civil rights and universal welfare and social security measures to enable broad popular alliances and prevent divisive special interest politics.

There is also, on the other hand, policy intervention related to the *political system*. The preceding chapters highlight the importance of inclusive electoral and party systems to prevent marginalization of forces and interests that can challenge the elite-driven stagnation of democracy. They also emphasize the provision of channels for independent representation and participation of vital interests (including those of employees, employers and self-employed), issues (such as those regarding environmental protection) and identities (e.g. based on gender, ethnicity and religion) in policy generation as well as in control of and implementation of public policies. Such channels promote transparency and accountability and thus strengthen both trust in public governance and the rationale of building broad and integrated organizations that can negotiate pacts on how to combine welfare and sustainable economic development.

The third type of policy intervention is about *civic and socio-political organization*. The main aim must be to contain factional projects among citizens, popular organizations and movements by supporting joint efforts instead, for demanding and supporting the kind of reforms mentioned above. This does not imply partisan support of any particular political party but rather broad facilitation of popular movements and alliances towards democratic development that may also be taken on by political parties.

This combination of civic and socio-political demands from outside public government for social, political and administrative reforms that may strengthen the capacity of progressive actors and movements is how one may avoid the conclusion that gradual development of extensive and substantive democracy is not possible without work for many decades to build up social movements and organizations and parties. As shown in previous chapters, well-designed transformative politics and policies were decisive in the cases of Brazil, South Africa, the Indian state of Kerala and Scandinavia. All the favourable conditions were not generated organically from below and for decades. Furthermore, as also shown in this book, there are examples of political dynamics that at least temporarily have opened up for progressive initiatives even under much less favourable circumstances, such as in the case of the top-driven Indian social and employment rights schemes or the emerging social and political contracts between local activists and post-clientelist politicians in parts of India and Indonesia.

The fourth policy area is the facilitation of *international alliances* of like-minded partners in transformative politics. A key argument in this book is that the new era of globalization since the 1960s, with a radically new international division of labour and the growth of dynamic industrial and service sectors in a number of countries in the Global South, increases the possibilities for social democratic transformative politics. One major condition for further advances is, however, that the global competitiveness of the new growth areas will be based more on development of efficient production and services than on low wages and environmental destruction, including in less developed surrounding countries. This calls for alternative politics and policies of the kind that we have indicated above. But it also calls for international alliances with like-minded partners. At least social democrats in the global North need to abstain from the attractive short-term solution of strengthening the competitive advantage of their own strategic sectors by benefitting from low-wage and environmentally destructive production and raw materials from the global South. But why would more internationally integrated strategies for welfare and growth be in the interest of social democrats in the North? The answer seems to be the need to support like-minded partners in the South in order for social democratic countries in the North to (a) avoid global environmental change and destruction, (b) be able to integrate citizens (including immigrants) in working life by way of full employment, (c) contain international competition based on low wages and environmental destruction. The short-term solution would, in contrast, undermine the long-term development of

more effective production and growth that can be combined with welfare not just in the Global South but also in the North. This is because it generates imbalances and social exclusion that undermines relative equality, wage compression, social stability and societal trust as well as the electoral basis for social democratic-oriented policies combined with environmental concerns.

In short, the globalization of the great transformation with extensive growth in the South does not only generate resistance among a multitude of movements and groups but also opens up for a transformative democratic alternative among like-minded partners.

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